# DANIEL W. HYNES
## COMPTROLLER

www.ioc.state.il.us

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

ILLINOIS

— For Fiscal Year Ended June 30, 2003 —

Comptroller Daniel W. Hynes is the Chief Fiscal Officer for the State of Illinois, managing its financial accounts, processing more than 18 million transactions a year, and performing a watchdog role to assure that all payments meet the requirements of the law. The Comptroller's Office also provides timely and accurate fiscal information and analysis to the Governor, the Illinois General Assembly, and Local Government Officials so they can make informed budget decisions. In addition, the Office oversees the state's private cemetery and funeral home industry.

# STATE OF ILLINOIS

# Comprehensive Annual Financial Report

~ 2003 ~

*For Fiscal Year Ended June 30, 2003*

## Comptroller Daniel W. Hynes

Printed by Authority of the State of Illinois
By the State of Illinois
5/04 - 235 Job No. 37770
Cost per Copy $7.83

**This Page Intentionally Left Blank**

# Comprehensive Annual Financial Report
# Table of Contents


| | Page |
|---|---|
| **I. Introductory Section** | |
| Table of Contents | I-1 - I-3 |
| Comptroller Letter of Transmittal | I-5 - I-11 |
| Certificate of Achievement | I-12 |
| Organizational Chart | I-13 |
| **II. Financial Section** | |
| Independent Auditors' Report | 1 - 2 |
| Management's Discussion and Analysis | 3 - 17 |
| Basic Financial Statements | |
| **Government-wide Financial Statements** | |
| Statement of Net Assets | 19 |
| Statement of Activities | 20 - 21 |
| **Governmental Funds Financial Statements** | |
| Balance Sheet | 22 |
| Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets | 23 |
| Statement of Revenues, Expenditures and Changes in Fund Balance | 24 |
| Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities | 25 |
| **Proprietary Funds Financial Statements** | |
| Statement of Net Assets | 26 |
| Statement of Revenues, Expenses and Changes in Fund Net Assets | 27 |
| Statement of Cash Flows | 28 |
| **Fiduciary Funds Financial Statements** | |
| Statement of Fiduciary Net Assets | 29 |
| Statement of Changes in Fiduciary Net Assets | 30 |
| **Component Unit Financial Statements** | |
| Statement of Net Assets | 32 - 33 |
| Statement of Activities | 34 - 35 |
| **Notes to the Financial Statements** | 36 - 105 |
| Required Supplementary Information Other Than Management's Discussion and Analysis | |
| Budgetary Comparison Schedule - Major Governmental Funds | 108 - 109 |
| Notes to Required Supplementary Information - Budgetary Reporting | 110 - 111 |
| Pension Trust Funds - Schedule of Funding Progress | 112 |
| Combining and Individual Fund Financial Statements | |
| **General Fund** | |
| Significant General Fund Account Descriptions | 113 |
| Combining Schedule of Accounts - General Fund | 114 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund | 115 |
| Combining Schedule of Accounts - General Fund Medicaid Provider Assessment Program | 116 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund Medicaid Provider Assessment Program | 117 |
| **Combining Balance Sheet - Non-major Governmental Funds** | 118 |
| **Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds** | 119 |
| **Special Revenue Funds** | |
| Significant Non-major Special Revenue Funds Descriptions | 120 - 123 |
| Combining Balance Sheet - Non-major Special Revenue Funds | 124 - 125 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Special Revenue Funds | 126 - 127 |
| Combining Balance Sheet - Children and Family Services | 128 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Children and Family Services | 129 |
| Combining Balance Sheet - Commerce and Community Affairs | 130 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Commerce and Community Affairs | 131 |
| Combining Balance Sheet-Natural Resources | 132 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Natural Resources | 133 |
| Combining Balance Sheet - Human Services | 134 - 135 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Human Services | 136 - 137 |
| Combining Balance Sheet - Public Aid | 138 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Public Aid | 139 |
| Combining Balance Sheet - Revenue | 140 - 141 |

Page

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Revenue..... 142 - 143

Combining Balance Sheet - Transportation..... 144

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Transportation..... 145

Combining Balance Sheet - Other Departments Funds..... 146

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Other Departments Funds..... 147

Combining Balance Sheet - Environmental Protection Agency..... 148

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Environmental Protection Agency..... 149

Combining Balance Sheet - State Board of Education..... 150

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - State Board of Education..... 151

Combining Balance Sheet - Other Agencies, Boards and Authorities Funds..... 152 - 153

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Other Agencies, Boards and Authorities Funds..... 154 - 155

**Debt Service Funds**

Significant Non-major Debt Service Funds Descriptions..... 156

Combining Balance Sheet - Non-major Debt Service Funds..... 157

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Debt Service Funds..... 158

**Capital Projects Funds**

Significant Non-major Capital Projects Funds Descriptions..... 159

Combining Balance Sheet - Non-major Capital Projects Funds..... 160

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Capital Projects Funds..... 161

Combining Balance Sheet - Transportation..... 162

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Transportation..... 163

Combining Balance Sheet - Capital Development Board..... 164

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Capital Development Board..... 165

**Enterprise Funds**

Significant Non-major Enterprise Funds Descriptions..... 166

Combining Statement of Net Assets - Non-major Enterprise Funds..... 167

Page

Combining Statement of Revenues, Expenses and Changes in Net Assets - Non-major Enterprise Funds..... 168

Combining Statement of Cash Flows - Non-major Enterprise Funds..... 169

Combining Statement of Net Assets - Central Management Services..... 170

Combining Statement of Revenues, Expenses and Changes in Net Assets - Central Management Services..... 171

Combining Statement of Cash Flows - Central Management Services..... 172

**Internal Service Funds**

Significant Internal Service Funds Descriptions..... 173

Combining Statement of Net Assets - Internal Service Funds..... 174

Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds..... 175

Combining Statement of Cash Flows - Internal Service Funds..... 176

Combining Statement of Net Assets - Central Management Services..... 177

Combining Statement of Revenues, Expenses and Changes in Net Assets - Central Management Services..... 178

Combining Statement of Cash Flows - Central Management Services..... 179

**Pension (and Other Employee Benefit) Trust Funds**

Pension (and Other Employee Benefit) Trust Funds Descriptions..... 181

Combining Statement of Fiduciary Net Assets - Pension (and Other Employee Benefit) Trust Funds..... 182 - 183

Combining Statement of Changes in Fiduciary Net Assets - Pension (and Other Employee Benefit) Trust Funds..... 184 - 185

**Investment Trust Funds**

Investment Trust Funds Descriptions..... 186

Combining Statement of Fiduciary Net Assets - Investment Trust Funds..... 187

Combining Statement of Changes in Fiduciary Net Assets - Investment Trust Funds..... 188

**Agency Funds**

Significant Agency Funds Descriptions..... 189

Combining Statement of Fiduciary Net Assets - Agency Funds..... 190

Combining Statement of Fiduciary Net Assets - Revenue..... 191

Combining Statement of Changes in Assets and Liabilities - Agency Funds..... 192 - 193

Page

**Component Units**

Non-major Component Unit Descriptions..... 194 - 195

Combining Statement of Net Assets - Other Authorities..... 196 - 198

Combining Statement of Activities - Other Authorities..... 200 - 201

Combining Statement of Net Assets - Other Universities..... 202 - 203

Combining Statement of Activities - Other Universities..... 204 - 205

**Budgetary Schedules**..... 207

Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances-Budget and Actual (Non-GAAP) -

All Budgeted Fund Groups..... 208 - 211

General Funds..... 212 - 213

Highway Funds..... 214 - 217

Special State Funds..... 218 - 220

..Elected Officials..... 222 - 223

..Comptroller..... 224 - 225

..State Treasurer..... 226 - 227

Code Departments..... 228 - 231

..Central Management Services..... 232 - 233

..Commerce and Community Affairs..... 234 - 235

..Natural Resources..... 236 - 237

..Human Services..... 238 - 239

..Public Aid..... 240 - 243

..Revenue..... 244 - 247

..Transportation..... 248 - 249

..Other Code Departments..... 250 - 251

Agencies, Boards and Commissions..... 252 - 253

..Environmental Protection Agency..... 254 - 255

..Other Agencies, Boards and Commissions..... 256 - 257

Bond Financed Funds..... 258 - 259

Transportation..... 260 - 261

Capital Development Board..... 262 - 263

Debt Service Funds..... 264 - 265

Federal Trust Funds..... 266 - 267

Page

Code Departments..... 268 - 269

..Commerce and Community Affairs..... 270 - 271

..Human Services..... 272 - 273

..Other Code Departments..... 274 - 275

Agencies, Boards and Commissions..... 276 - 277

..State Board of Education..... 278 - 279

..Other Agencies, Boards and Commissions..... 280 - 281

..Student Assistance Commission..... 282 - 283

Revolving Funds..... 284 - 285

Central Management Services..... 286 - 287

State Trust Funds..... 288 - 289

Code Departments..... 290 - 291

..Central Management Services..... 292 - 293

..Public Aid..... 294 - 295

..Revenue..... 296 - 297

**III. Statistical and Economic Section**

**Statistical**

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances- GAAP Basis-All Governmental Fund Types ..... 298 - 299

Ratio of Annual Debt Service for General and Special Obligation Debt to Total Revenues and Expenditures- GAAP Basis-All Governmental Fund Types - (Primary Government)..... 300

Ratio of General and Special Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita..... 301

**Economic**

Revenue Bond Coverage-Proprietary..... 302 - 303

Revenue Bond Coverage-University ..... 303

Population by Age Group..... 304

Total Personal Income..... 304

Employment/Unemployed..... 305

Employment by Industry..... 305

Contracts for Future Construction and Residential Building Activity..... 306

Sales of all Retail Stores..... 306

Cash Receipts from Farm Marketings..... 307

Largest Manufacturers..... 308

Bituminous Coal Production..... 308

**This Page Intentionally Left Blank**

April 28, 2004

To the Citizens of the State of Illinois,
Honorable Rod R. Blagojevich, Governor and
Honorable Members of the General Assembly:

I am pleased to present to you the ***State of Illinois Comprehensive Annual Financial Report (CAFR)*** for the year ended June 30, 2003. The CAFR is the State's official annual report which provides the readers with the financial position of the State as of June 30, 2003, and results of operations during the fiscal year. The report is intended to provide the State's taxpayers, managers, investors, creditors, lawmakers, and other users with information in accordance with generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data as well as the completeness and fairness of presentation of this report rests with my Office and other State agency management. This report necessarily includes certain amounts which are based on management's best estimates and judgments.

The CAFR is presented in the following sections: introductory; financial; and statistical and economic. The *introductory section* includes the table of contents, the Comptroller's letter of transmittal, and the State's organizational chart. The *financial section* includes the Independent Auditors' Report on the basic financial statements, the management's discussion and analysis, the basic financial statements, required supplementary information, and the individual fund financial statements and schedules. The *statistical and economic section* includes selected demographic and business data, generally on a multi-year basis.

The Management's Discussion and Analysis (MD&A), which begins on page 3 of this report, provides a narrative introduction, overview, and analysis to the accompanying basic financial statements. This letter is intended to complement the MD&A and should be read in conjunction with it. The accompanying basic financial statements are prepared in conformity with GAAP applicable to State governments as prescribed by the Governmental Accounting Standards Board (GASB). This office supports the GASB, contributed to its formation and participates in the development of pronouncements by providing testimony at public hearings and submitting comments and recommendations as proposed standards are distributed for exposure.

The CAFR includes all funds, elected offices, departments and agencies of the State, as well as all boards, commissions, authorities and universities for which the State's executive or legislative branches are financially accountable. The financial statements distinguish between primary government organizations and component units. The primary government is the nucleus of the financial reporting entity and is the focal point for the users of the financial statements. The primary government of the State consists of all the organizations that make up its legal entity. All funds, departments, agencies, offices, and other organizations that are not legally separate are, for financial reporting purposes, part of the primary government.

Component units are legally separate organizations for which the State is financially accountable.

The financial activities of the State are organized on the basis of individual funds, each of which is a separate accounting entity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions and limitations. Major funds are the focus of the State's financial statements and include the General Fund (including the General Revenue Account, the Education Assistance Account, the Common School Account, and the Medicaid Provider Assessment Accounts), the Road Fund, the Motor Fuel Tax Fund, the State Construction Account, the Pension Contribution Fund, the Unemployment Compensation Trust Fund, the Water Revolving Fund, and the Designated Account Purchase Program Fund. The reporting entity, major funds, and fund types are described in detail in Note 1 to the financial statements. To ensure readability of the financial statements, generally only funds with total assets, liabilities, fund equity, revenues or expenditures/expenses greater than 2% of the total for that fund type are presented separately in the individual fund financial statements, except component units where all component units are presented, and special revenue funds where funds with greater than .25% of the total is presented. Combination of funds is necessary due to the existence of more than 750 funds in the State's reporting entity. Funds used by more than one agency are classified with what is determined to be the primary administering agency.

An organizational chart, showing the relationships between the Citizens of the State of Illinois, the three branches of Illinois State government and those of the various agencies, boards, commissions and universities which provide a full range of State government services, is presented on page I-13.

# MAJOR INITIATIVES

## General Funds

Many State programs are accounted for in the General Fund. As analyzed in the MD&A, the State's GAAP basis financial position at June 30, 2003 worsened from fiscal year 2002. The fund balance in the State's General Fund decreased by $1.218 billion on a GAAP basis (from a deficit of $2.948 billion, as restated, to a deficit of $4.166 billion). On the *budgetary basis*, there was a $1.094 billion deficit fund balance at June 30, 2003 compared to a $1.220 billion deficit fund balance at June 30, 2002, a $126 million increase. In addition, the *unreserved* fund deficit on a GAAP basis increased by $1.390 billion from a deficit of $3.100 billion, as restated, to a deficit of $4.490 billion**.**

Because of the continued weakness in its fiscal condition during fiscal years 2003 and 2004, Illinois undertook various initiatives to raise revenues and to reduce spending in the State's General Fund.

***Short-term Borrowing***

In July 2002, the State borrowed $1.0 billion in short-term notes with $700 million deposited into the General Revenue Account, $150 million deposited into the Income Tax Refund Fund, and $150 million deposited into the Long-Term Care Provider Fund. The principal and $22 million in interest was paid back by each of the funds by June 15, 2003.

In May 2003, the State borrowed an additional $1.5 billion in short-term notes with $975 million deposited into the General Revenue Account, $475 million deposited into the Income Tax Refund Fund, and $50 million deposited into the Long Term Care Provider Fund. The principal and $22 million in interest is to be paid back by May 15, 2004, with $50 million from Long-Term Care Provider Fund and the rest from the General Revenue Account.

The State also took additional actions to help alleviate the ongoing fiscal crisis. On July 1, 2002, $226 million was transferred from the Budget Stabilization Fund to the General Revenue Account. This amount was repaid on June 30, 2003, pursuant to State statutes, and was transferred from the Budget Stabilization Fund to the General Revenue Account again on July 1, 2003. Also, numerous funds with "surplus balances" transferred money to the General Revenue Account. On July 1, 2002, $155.5 million was transferred into the General Revenue Account with $9.5 million transferred later in the fiscal year. An additional $145 million was transferred on July 1, 2003, with $9 million more scheduled transfers for later in the year.

***Pension Bonds***

On June 12, 2003, the State issued General Obligation Bonds (pension bonds) totaling $10 billion. Immediately, $300 million was transferred to the General Revenue Account. After other costs were paid, $9.2 billion was deposited into the Pension Contribution Fund. In July 2003, $7.3 billion was transferred to the pension systems with the remaining $1.9 billion scheduled to be transferred to the General Revenue Account in correlation to pension payments.

***Asset Sales and Leasebacks***

Legislation was passed for fiscal year 2004 authorizing the sale and leaseback of certain State assets. The Governor's Office of Management and Budget expects the sale and leaseback of the Illinois State Toll Highway Authority headquarters, the James R. Thompson Center, and Elgin Mental Health Center to generate over $200 million.

***Administrative Cost Allocations***

The director of the Governor's Office of Management and Budget has been given statutory authorization to transfer from any fund held in the State Treasury to the General Revenue Account to help defray the State's operating costs. These administrative charges were originally estimated to transfer $330 million to the General Revenue Account.

***Revenue Enhancements***

Effective July 1, 2002, the cigarette tax rate was increased from 58 cents per pack to 98 cents per pack with the extra revenue designated for medical payments to long-term care providers. Effective July 1, 2003, riverboat gambling taxes which are designated for education programs were increased with the maximum rate going from 50% to 70% of annual adjusted gross receipts. Fiscal year 2004 has seen a wide range of fee rate increases largely from fees collected by the Secretary of State, agencies that regulate banks, insurance companies and other financial institutions, the Environmental Protection Agency, and the Industrial Commission which oversees workers compensation insurance. The Governor's Office of Management and Budget expects that the fee increases will generate over $300 million in revenues annually.

Besides rate increases, new revenue initiatives included acceleration of collections and the closing of tax loopholes.

Collections were accelerated for the cigarette taxes. Effective July 1, 2003, distributors were no longer allowed 30 days to make final payment for tax stamps. An additional acceleration of collections occurred through the Tax Delinquency Amnesty Act. The amnesty program, which ran from October 1, 2003, through November 17, 2003, generated over $500 million in revenues. The largest portion of the revenues went to the General Funds, the Income Tax Refund Fund, and the Personal Property Tax Replacement Fund.

A new gas use tax was levied, effective October 1, 2003, on natural gas purchased outside of Illinois for use or consumption in Illinois. Exemptions are granted to natural gas used by government bodies, not-for-profit groups, petroleum refineries, and businesses in enterprise zones; gas used to produce electricity, ammonia, and fertilizer; and value added products for resale. The new aircraft use tax, effective for purchases after June 30, 2003, applies to the acquisition of aircraft that will be used in Illinois.

The Illinois estate tax had been equal to the maximum credit granted states against the federal estate tax. With the abolition of the federal estate tax, there would no longer have been a credit which would eliminate the Illinois tax. The Illinois tax was partially restored for calendar years 2003 through 2009. The restored Illinois tax is equal to the amount that would have been credited if the federal estate tax had been continued with exclusions rising to the first $2 million of an estate after 2005.

Several sales and income tax loopholes and tax expenditures were eliminated beginning in fiscal year 2004. Notable changes include the elimination of business income tax credits for investing in employee training and for expanding research spending for tax years ending on or after December 31, 2003, ending of loss carryback provisions, and a reworking of the tax treatment for rolling stock (motor vehicles, trailers, buses, rail cars, barges, and aircraft) used in interstate commerce. The rolling stock changes include a new commercial distribution fee, a narrowing of the definition of rolling stock qualifying for the interstate commerce sales tax exemption, and a new transportation income tax credit.

***Spending Initiatives***

One of the initiatives to reduce spending was to make State government more efficient by reorganizing and consolidating state agencies and functions. To accomplish this, a number of executive orders were announced by the Governor with estimated annual savings.

1. Executive Order No. 7 abolished twelve boards, councils, and committees.

2. Executive Order No. 9 consolidated the Department of Lottery, the Liquor Control Commission and the Racing Board into the Department of Revenue. This consolidation was estimated to save $2.1 million in fiscal year 2004.

3. Executive Order No. 10 consolidated agency legal functions into a central Law Office within the Department of Central Management Services (CMS) to increase the quality, consistency and efficiency of the State's legal activities. While some adjudicatory legal staff may remain with an agency, all legal work related to personnel, procurement, state statutes, federal laws and regulations, bond financing and other common legal issues will be moved to the new central Law Office. Consolidated legal services were estimated to save $5.5 million in fiscal year 2004 and an estimated $11 million in fiscal year 2005.

4. Executive Order No. 11 directed that the Workforce Investment Act and the Trade Adjustment Assistance Act and associated programs at the Department of Employment Security, the Current Workforce Training Grant at the Illinois Community College Board, as well as the Prairie State 2000 Authority, be consolidated with the Department of Commerce and Economic Opportunity, (CEO, formerly known as Department of Commerce and Community Affairs). This consolidation was projected to save just under $16 million.

5. Executive Order No. 12 consolidated the Department of Nuclear Safety with the Illinois Emergency Management Agency. The Governor's Office of Management and Budget estimated this consolidation would save $704,600 in fiscal year 2004, due to the elimination of eight full-time positions.

In addition to executive orders, legislation was enacted to reorganize State government. Senate Bill 1075 (Public Act 93-205) transferred the functions from previously existing authorities to the newly created Illinois Finance Authority. The authorities consolidated are: the Illinois Development Finance Authority, the Illinois Farm Development Authority, the Illinois Health Facilities Authority, the Illinois Educational Facilities Authority, the Illinois Community Development Finance Corporation, the Illinois Rural Bond Bank, and the Research Park Authority. This consolidation was projected to save $234 thousand.

Also, the Governor consolidated agency internal auditing functions within CMS. The State's audit

consolidation is expected to improve efficiency and create a management tool for additional streamlining, accountability and risk management in addition to saving the State $5 million in fiscal year 2004 and an estimated $10 million in fiscal year 2005. Savings are expected to be achieved by reducing headcount, administrative costs and duplicative software licenses.

Facilities management functions also were consolidated within CMS. Agencies under the Governor occupy 43 million square feet of space. Maintenance, repair, security, utilities, and other facilities management functions cost these agencies an estimated $416 million per year. The consolidation of these functions could generate savings of $14 million in fiscal year 2004 and an estimated $30 million in fiscal year 2005. Savings are expected to be achieved through improved staff scheduling, consolidating energy contracts, energy utilization management and economies of scale for outside contractors.

The Governor also ended the State's pickup of merit compensation employees' share of pension contributions for fiscal year 2004 and granted no pay raises to merit compensation employees for fiscal years 2003 and 2004.

***Receivables Reporting***

The Office of the Comptroller continues to establish and enforce measures to help reduce the amount of receivables owed to the State. Effective January 1, 1998, all debts that exceed $1,000 and are more than 90 days past due are required to be reported in the Comptroller's Offset System. Prior to this date, only debts in excess of $1,000 and more than 1 year past due were required to be reported. The new legislation enables the Comptroller's Office to intercept tax refunds and other payments that may otherwise be paid to the State's debtors. Due to stricter monitoring of State agency compliance, the Office of the Comptroller has effected the recovery of over $20 million in fiscal year 2003.

***The Public Accountability Report of Service Efforts and Accomplishments (SEA)***

One of the priorities of this Comptroller is to improve the accountability of State governmental agencies to the public they serve by reporting on the efficiency, effectiveness, and outcomes of government programs. To this end the Comptroller has launched the Public Accountability Project which has instituted a process by which State agencies annually report on their performance in carrying out their statutory missions. The instrument for this process is Service Efforts and Accomplishments (SEA) Reporting as outlined by the Governmental Accounting Standards Board (GASB). The Office of the Comptroller is working with the GASB to determine and set standards for this type of financial reporting. Illinois has been designated by the GASB as an official "experimentation site" for SEA reporting. The Illinois Public Accountability (SEA) Report is available upon request.

## Internal Control

Each State agency's management is responsible for establishing and maintaining internal control designed to ensure that the assets of the State are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The State's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

On October 31, 1989 the Fiscal Control and Internal Auditing Act (FCIAA) became law, requiring all State agency chief executive officers to annually certify the adequacy of internal controls in place within their agencies. The first annual certifications by State agency CEOs were

due November 15, 1990. Subsequent certifications are due May 1st each year. The FCIAA also requires that certain agencies have a chief internal auditor with a specified minimum level of professional competency.

## Budgetary Controls

The Comptroller's Statewide Accounting Management System **(SAMS)** provides the basis for receipt, expenditure and encumbrance reporting of all State treasury held funds with specific budgetary controls maintained on line-item expenditures for all appropriated funds. Appropriations (budget) and actual expenditure analysis for significant individual funds is provided in the Budgetary Schedules section of this report.

The State of Illinois has a two-month "lapse period." During this time, July 1 to August 31, State agencies can expend funds appropriated in the prior fiscal year if encumbered by June 30. For all fund types, goods or services received prior to June 30 are recorded as liabilities and expenditures or expenses, whichever is appropriate. For governmental fund types, lapse period expenditures for goods or services encumbered as of June 30 and received prior to August 31 are reported with other encumbrances as reservations of June 30 fund balances and not as liabilities or expenditures.

## Investment Management

The Illinois State Treasurer is responsible for investing all cash resources of the State, with the exception of those held by the retirement systems and certain debt service, enterprise, agency, universities' endowments and other locally-held funds. Of the five retirement systems, three pool their resources for investment and two invest their resources under investment master trustee arrangements with individual investment managers. The universities are granted independent powers to invest their funds which are held outside the State Treasury. Interest income earned on the cash resources received and invested by the State Treasurer is allocated to the various funds (where specified by law) based on the average daily cash balances invested.

## Cash Management

The State of Illinois' daily activities are operated on a "cash basis," where bills are paid with the available balances of cash on hand. As chief fiscal officer of the State of Illinois, the Comptroller maintains the State's central fiscal accounts and is responsible for ordering all payments into and out of the funds held by the State Treasurer. The State's end-of-year budgetary cash balance in the General Funds increased $61 million to $317 million during fiscal year 2003. The State's "cash basis" activity during fiscal year 2003 is discussed in more detail in the MD&A.

## Risk Management

The State's risk management program encompasses a wide range of State government activities. Generally, the State has elected to retain most exposures to risk, with only limited purchase of commercial insurance. Among the exceptions are coverage for real property at the James R. Thompson Center in Chicago, the State Retirement Systems building, and the Regional State Office complex in Collinsville. Limited commercial coverage for personal property includes a small portion of the State's fleet of motor vehicles, certain telecommunications equipment, the fixed and rotary wing aircraft fleet, some State watercraft, selected items of electronic data processing equipment, a portion of the State's collection of fine art, as well as a small number of other property and liability exposures.

The State retains workers' compensation and auto liability exposures, including claims management. Other major retained risks include employee fidelity and surety, as well as general liability. The State's risk management program also includes legal representation and indemnification of employees sued for violation of civil and constitutional rights and other tort liabilities while acting in an official capacity.

## Independent Audit

The Illinois Auditor General has performed an audit of the accompanying basic financial statements in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. His unqualified opinion appears at the beginning of the financial section of this report. In addition, the Illinois Auditor General is conducting an audit pursuant to the requirements set forth in the Federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* This report is issued separately.

## Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting ("Certificate") to the State of Illinois for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2002. This is the nineteenth consecutive year that the State has received this prestigious award in governmental financial reporting. In order to be awarded a Certificate, the State of Illinois published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year only. As this current comprehensive annual financial report is expected to meet the Certificate of Achievement Program's requirements, it is being submitted to the GFOA to determine its eligibility for another certificate.

## Acknowledgments

The preparation of the State's Comprehensive Annual Financial Report was made possible by the due diligence of my staff, the Auditor General's Office and all State agencies who submitted timely information during this year's GAAP financial statement process. Their hard work and dedication has resulted in an excellent financial report of which we can be proud. I express my gratitude to all of those involved for this tremendous cooperative effort.

Sincerely,

Daniel W. Hynes
Comptroller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## State of Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

**Citizens of Illinois**

## *Legislative Branch*

- Senate
- House of Representatives
- Auditor General William Holland

### Legislative Support Agencies

- Economic and Fiscal Commission
- Commission on Intergovernmental Cooperation
- Legislative Information System
- Legislative Audit Commission
- Legislative Printing Unit
- Legislative Research Unit
- Legislative Reference Bureau
- Pension Laws Commission
- Legislative Space Needs Commission
- Joint Committee on Administrative Rules

### Pension Systems

- General Assembly Retirement System
- Judges' Retirement System
- State Employees' Retirement System
- State Universities Retirement System
- Teachers' Retirement System

## *Executive Branch*

- Secretary of State Jesse White
- Treasurer Judy Baar Topinka
- Governor Rod R. Blagojevich
- Lieutenant Governor Pat Quinn
- Comptroller Daniel W. Hynes
- Attorney General Lisa Madigan

### Civil Administrative Code Departments

- Aging
- Agriculture
- Central Management Services
- Children and Family Services
- Commerce and Community Affairs
- Corrections
- Employment Security
- Financial Institutions
- Human Rights
- Human Services
- Insurance
- Labor
- Lottery
- Natural Resources
- Nuclear Safety
- Professional Regulation
- Public Aid
- Public Health
- Revenue
- State Police
- Transportation
- Veterans' Affairs

### Governors' Office of Management and Budget

- State Board of Elections
- Military Affairs
- Other Agencies, Boards and Authorities
- Regulatory Boards
- Public Safety Agencies
- Financing Authorities *
- Environmental Agencies

### State Board of Elections

### Education

- State Board of Education
- Student Assistance Commission
- Board of Higher Education
- Community College Board
- Mathematics and Science Academy
- Chicago State University *
- Eastern Illinois University *
- Governors State University *
- Northeastern Illinois University *
- Western Illinois University *
- Illinois State University *
- Northern Illinois University *
- Southern Illinois University *
- University of Illinois *

* Component Unit -not part of Primary Government

## *Judicial Branch*

### Supreme Court

- Judicial Inquiry Board
- Appellate Court
- Circuit Court
- Administrative Office of the Illinois Courts
- Board of Admissions to the Bar
- State Appellate Defender
- Attorney Registration and Disciplinary Commission
- State's Attorney Appellate Prosecutor

**This Page Intentionally Left Blank**

STATE OF ILLINOIS
WILLIAM G. HOLLAND
AUDITOR GENERAL

# Independent Auditors' Report

Honorable Emil Jones, Jr., President of the Senate
Honorable Michael J. Madigan, Speaker of the House
Members of the General Assembly
Honorable Rod Blagojevich, Governor
Honorable Daniel W. Hynes, Comptroller

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Illinois, as of and for the year ended June 30, 2003, which collectively comprise the State of Illinois' basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Illinois, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the State of Illinois adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 41, *Budgetary Comparison Schedules-Perspective Differences*; and GASB Technical Bulletin No. 2003-1, *Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets*, effective July 1, 2002.

As discussed in Note 2, the financial statements have been restated as of July 1, 2002 for prior year reporting errors and for changes in accounting principles.

The management's discussion and analysis, budgetary comparison schedule and related notes – major governmental funds, and the pension trust funds – schedule of funding progress are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical and economic section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical and economic section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion on them.

In accordance with *Government Auditing Standards*, a report on our consideration of the State of Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants will be issued under a separate cover. That report, upon its issuance, is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

WILLIAM G. HOLLAND
Auditor General
State of Illinois

BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits
Office of the Auditor General

Springfield, Illinois
April 28, 2004

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the State of Illinois' (the State's) financial performance, providing an overview of the activities for the fiscal year ended June 30, 2003. Please read it in conjunction with the transmittal letter and with the State's financial statements, which follow this section.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State's basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, this discussion and analysis also contains information on other supplementary information included in this report.

### Government-wide Statements (Reporting the State as a Whole)

The Statement of Net Assets and the Statement of Activities are two financial statements that report information about the State, as a whole, and about its activities. These statements include all non-fiduciary assets, liabilities, revenues and expenses using the accrual basis of accounting.

The Statement of Net Assets (page 19) presents all of the State's non-fiduciary assets and liabilities, with the difference between the two reported as "net assets". Over time, increases and decreases in net assets measure whether the State's financial position is improving or deteriorating.

The Statement of Activities (pages 20 and 21) presents all of the State's non-fiduciary revenues and expenses, with the difference showing how the State's net assets changed during the current fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and unused accrued absences).

Both statements report three activities:

*Governmental Activities* – Most of the State's basic services are reported under this category. Taxes and intergovernmental revenues generally fund these services. The Legislature, the Judiciary, Elected Officials and the general operations of the Executive departments fall within the governmental activities.

*Business-type Activities* – The State charges fees to customers to help it cover all or most of the cost of certain services provided by the State. Lottery tickets and the State's unemployment compensation services are examples of business-type activities.

*Discretely Presented Component Units* – Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The State has 11 authorities, 9 universities and 7 other organizations that are reported as discretely presented component units of the State.

Included within the basic financial statements are two schedules (pages 23 and 25) that reconcile the amounts reported on the governmental funds financial statements (modified accrual accounting) with governmental activities on the appropriate government-wide statements (accrual accounting). Modified accrual accounting focuses on current financial resources, which are the resources available for spending

in the near future (defined by the State as 60 days). Accrual accounting reports total economic resources similar to a private-sector business. The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds statements.
- Prepaid expenses for governmental activities are current uses of financial resources of funds and therefore are not reported in the governmental funds statements.
- Deferred issuance costs are capitalized and amortized as governmental activities, but reported as expenditures in the governmental funds statements.
- Certain revenues that are earned, but not available, are reported as revenues of governmental activities, but are reported as deferred revenue on the governmental funds statements.
- Unless due and payable, long-term liabilities, such as capital lease obligations, compensated absences, certificates of participation, net pension obligations, bonds and notes payable appear as liabilities in the government-wide statements but are not reported in the governmental funds statements.
- Internal service funds are reported as governmental activities, but reported as proprietary funds in the fund financial statements.
- Capital outlay spending results in recording capital assets on the government-wide statements, but is reported as expenditures on the governmental funds statements.
- Bond and note proceeds result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental funds statements. Certain other outflows represent either increases or decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental funds statements.

The Notes to the Basic Financial Statements provide additional information that is integral to understanding the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 36 of this report.

**Fund Financial Statements (Reporting the State's Major Funds)**

The fund financial statements begin on page 22 and provide more detail than the government-wide financial statements, concentrating on information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. In addition to the major funds, individual fund data for the non-major funds is presented beginning on page 113. The State's funds are divided into three categories – governmental, proprietary, and fiduciary – with each using a different accounting method.

*Governmental funds* – Most of the State's basic services are reported in the governmental funds, which focus on how monies flow into and out of those funds and the balances left at year-end that are available for future spending. The governmental funds financial statements provide a detailed short-term view of the State's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. Governmental funds are reported using *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash and liabilities that are due in the current period. Governmental funds include the General Fund and special revenue, capital project, debt service and permanent funds.

*Proprietary funds* – When the State charges customers for the services it provides, whether to outside customers or to other agencies within the State, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. An example is the State Lottery Fund. Internal service funds report activities that provide supplies and services for the State's other programs and activities such as the State's Communications Revolving Fund. Internal service funds are reported as governmental activities on the government-wide statements.

*Fiduciary funds* – The State acts as a trustee or fiduciary for its employee pension plans. The State is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The State's fiduciary activities are reported in the Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets beginning on page 29. These funds, which include pension (and other employee benefit), private-purpose trust, investment trust and agency funds, are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

**Additional Required Supplementary Information**

Following the basic financial statements is additional Required Supplementary Information that further explains and supports the information in the financial statements. The Required Supplementary Information includes budgetary comparison schedules reconciling the statutory and generally accepted accounting principles (GAAP) fund balances at fiscal year-end, and funding progress of the State's retirement systems.

**Other Supplementary Information**

Other supplementary information includes two components: 1) combining financial statements for non-major governmental, proprietary and fiduciary funds and non-major discretely presented component units and 2) combining budgetary schedules using the terminology and classifications of funds used by the State for budgetary purposes. The combining financial statements present by fund category, and then by fund type, the amounts presented in the non-major funds column in the fund financial statements.

## FINANCIAL ANALYSIS OF THE STATE

The State's combined net assets decreased $4.891 billion during the current fiscal year. The net assets of the State's governmental activities decreased $4.130 billion or 46.7% and the net assets of the State's business-type activities decreased $824 million or 28.0%. The following condensed financial information was derived from the government-wide Statement of Net Assets and reflects the State's financial position as of June 30, 2003:

**Net Assets as of June 30**
**(in millions of dollars)**

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | **2003** | **2002** | **2003** | **2002** | **2003** | **2002** |
| Assets: | | | | | | |
| Current and other non-current assets | $ 18,897 | $ 8,908 | $ 6,147 | $ 6,214 | $ 25,044 | $ 15,122 |
| Capital assets | 16,587 | 15,943 | 4 | 4 | 16,591 | 15,947 |
| Total assets | 35,484 | 24,851 | 6,151 | 6,218 | 41,635 | 31,069 |
| Liabilities: | | | | | | |
| Other liabilities | 9,715 | 7,659 | 248 | 213 | 9,963 | 7,872 |
| Long-term liabilities | 38,693 | 26,049 | 3,786 | 3,064 | 42,479 | 29,113 |
| Total liabilities | 48,408 | 33,708 | 4,034 | 3,277 | 52,442 | 36,985 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 11,588 | 11,138 | 4 | 4 | 11,592 | 11,142 |
| Restricted | 1,855 | 1,597 | 1,976 | 2,891 | 3,831 | 4,488 |
| Unrestricted | (26,367) | (21,592) | 137 | 46 | (26,230) | (21,546) |
| **Total net assets** | $(12,924) | $ (8,857) | $ 2,117 | $ 2,941 | $ (10,807) | $ (5,916) |

The State's largest asset is its capital assets (land, buildings, equipment, infrastructure, and others). The largest liability is its long-term liabilities including the net pension obligation ($16.0 billion) and the bonds payable obligation ($25.3 billion). The largest component of the State's net assets reflects the State's investment in capital assets, less any related debt that was recorded to acquire or construct the assets. Restricted net assets consists of resources subject to external restrictions or enabling legislation on how they can be used. The remaining portion, unrestricted net assets, may be used at the State's discretion.

The State's assets increased $10.5 billion from $31.1 billion at June 30, 2002, to $41.6 billion at June 30, 2003, due mainly from the cash inflow from the issuance of $10.0 billion of pension obligation bonds. The State's increase in liabilities of $15.4 billion from $37.0 billion at June 30, 2002, to $52.4 billion at June 30, 2003, occurred mostly from the issuance of pension obligation bonds ($10.0 billion), increase in net pension obligation ($1.4 billion), increase in other general and special obligation bond liabilities ($1.4 billion), and issuance of short-term borrowings ($1.5 billion).

The following condensed financial information was derived from the government-wide Statement of Activities and reflects the State's decrease in net assets during the current fiscal year:

**Changes in Net Assets**
**for Fiscal Year Ending June 30**
**(in millions of dollars)**

| | Governmental Activities | | Business-type Activities | | Total Primary Government | | Total Percentage Change |
|---|---|---|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2002 to 2003 |
| **Revenues** | | | | | | | |
| Program revenues | | | | | | | |
| Charges for services | $ 2,074 | $ 2,134 | $ 4,207 | $ 3,563 | $ 6,281 | $ 5,697 | 10.3% |
| Operating grants and contributions | 11,941 | 10,919 | 156 | 511 | 12,097 | 11,430 | 5.8% |
| Capital grants and contributions | 720 | 805 | | | 720 | 805 | (10.6%) |
| General revenues | | | | | | | |
| Income taxes | 8,390 | 8,607 | | | 8,390 | 8,607 | (2.5%) |
| Sales taxes | 8,351 | 8,298 | | | 8,351 | 8,298 | 0.6% |
| Motor fuel taxes | 1,326 | 1,354 | | | 1,326 | 1,354 | (2.1%) |
| Public utility taxes | 1,617 | 1,509 | | | 1,617 | 1,509 | 7.2% |
| Other taxes | 2,591 | 2,353 | | | 2,591 | 2,353 | 10.1% |
| Interest and investment earnings | 125 | 226 | 33 | 89 | 158 | 315 | (49.8%) |
| Miscellaneous | 1,344 | 756 | | | 1,344 | 756 | 77.8% |
| **Total revenues** | 38,479 | 36,961 | 4,396 | 4,163 | 42,875 | 41,124 | 4.3% |
| **Expenses** | | | | | | | |
| Health and social services | 16,072 | 15,411 | | | 16,072 | 15,411 | 4.3% |
| Education | 12,622 | 12,023 | | | 12,622 | 12,023 | 5.0% |
| General government | 2,450 | 2,006 | | | 2,450 | 2,006 | 22.1% |
| Employment and economic development | 1,311 | 1,250 | | | 1,311 | 1,250 | 4.9% |
| Transportation | 3,569 | 3,581 | | | 3,569 | 3,581 | (0.3%) |
| Public protection and justice | 2,116 | 2,239 | | | 2,116 | 2,239 | (5.5%) |
| Environment and business regulation | 842 | 764 | | | 842 | 764 | 10.2% |
| Unemployment compensation fund | | | 3,054 | 2,667 | 3,054 | 2,667 | 14.5% |
| Water revolving fund | | | 16 | 9 | 16 | 9 | 77.8% |
| Designated account purchase program fund | | | 112 | 105 | 112 | 105 | 6.7% |
| Insurance programs | | | 281 | 259 | 281 | 259 | 8.5% |
| Lottery | | | 1,054 | 1,034 | 1,054 | 1,034 | 1.9% |
| Prepaid tuition programs | | | 26 | 16 | 26 | 16 | 62.5% |
| Other business-type activities | | | 148 | 146 | 148 | 146 | 1.4% |
| Interest | 673 | 548 | | | 673 | 548 | 22.8% |
| Intergovernmental | 3,483 | 3,729 | | | 3,483 | 3,729 | (6.6%) |
| **Total expenses** | 43,138 | 41,551 | 4,691 | 4,236 | 47,829 | 45,787 | 4.5% |
| Excess (deficiency) before transfers | (4,659) | (4,590) | (295) | (73) | (4,954) | (4,663) | 6.2% |
| Transfers | 529 | 534 | (529) | (534) | - | - | 0.0% |
| **Increase (decrease) in net assets** | (4,130) | (4,056) | (824) | (607) | (4,954) | (4,663) | 6.2% |
| Net assets - beginning - restated | (8,794) | (4,801) | 2,941 | 3,548 | (5,853) | (1,253) | 367.1% |
| Net assets - ending | $ (12,924) | $ (8,857) | $ 2,117 | $ 2,941 | $ (10,807) | $ (5,916) | 82.7% |

**Governmental Activities:**

Governmental activities of the State are financed primarily through taxes collected. The functions reported for governmental activities consist of the following:

- *Health and social services* – The health and social services function consists of programs such as Medicaid, Temporary Assistance for Needy Families (TANF) and Child Support Enforcement which are administered mostly by the Department of Public Aid, the Department of Human Services and the Department of Children and Family Services.

- *Education* – The education function consists of support for local public school districts and post-secondary institutions administered mostly by the State Board of Education, the State Board of Higher Education and the Illinois Community College Board.

- *General government* – The general government consists of the day-to-day operations of the State performed mostly by the Elected Officials, Members of the General Assembly, the Department of Central Management Services and the Department of Revenue.

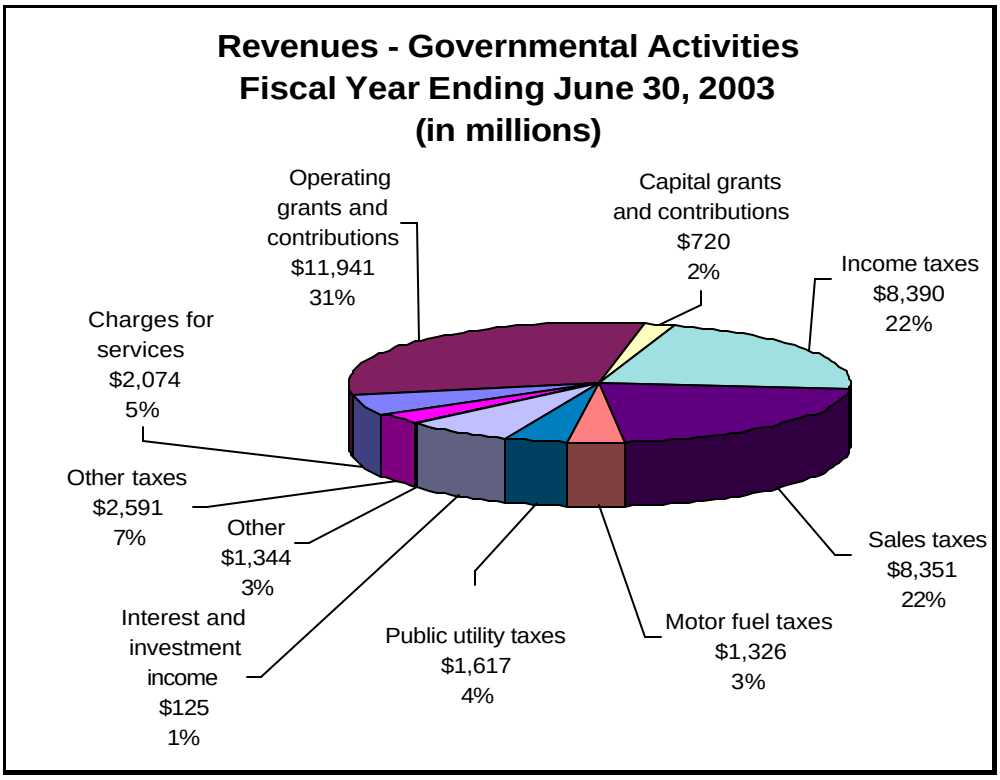
- *Employment and economic development* – The employment and economic development function consists of job training for citizens and support for the growth of public sector commerce administered mostly by the Department of Commerce and Community Affairs.

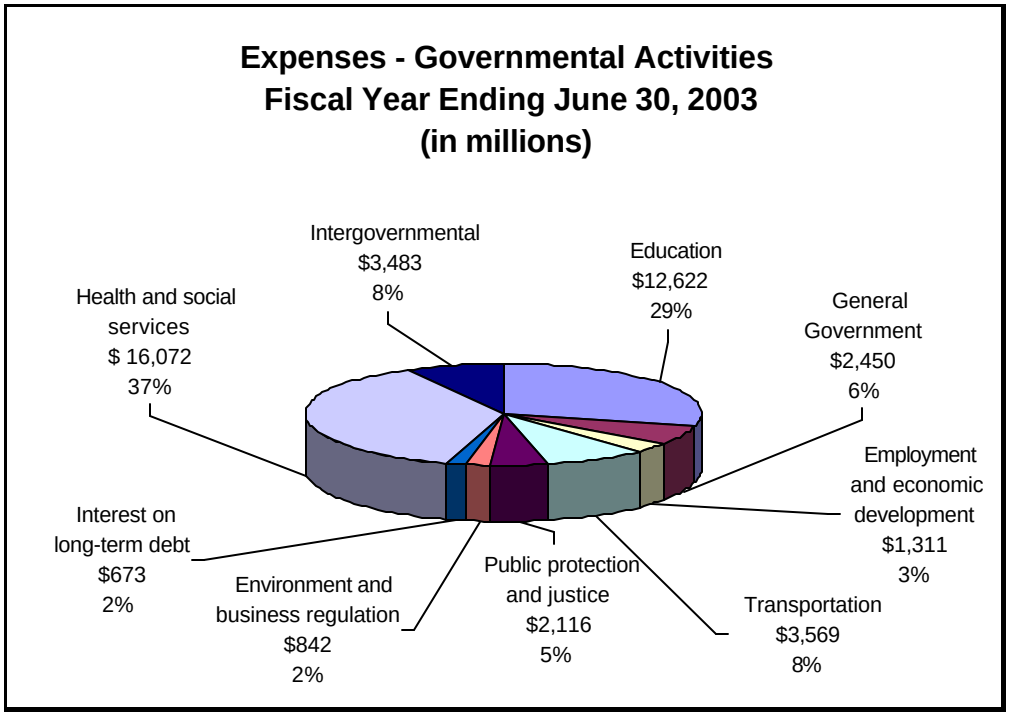
- *Transportation* – The transportation function consists of support for building and maintaining infrastructure capital assets owned by the State and owned by local governments of the State which is administered mostly by the Department of Transportation.

- *Public protection and justice* – The public protection and justice function consists of law enforcement functions of the State and other public safety regulatory programs performed mostly by the Department of Corrections and the Department of State Police.

- *Environment and business regulation* – The environment and business regulation function consists of regulation of the environment of the State and regulation of various business types in the State performed mostly by the Environmental Protection Agency, the Department of Commerce and Community Affairs, the Department of Natural Resources, the Department of Financial Institutions, the Department of Insurance and the Department of Labor.

The following charts display revenues and expenses of the State for governmental activities during the fiscal year:


Revenues - Governmental Activities
Fiscal Year Ending June 30, 2003
(in millions)
Operating grants and contributions $11,941 31%
Capital grants and contributions $720 2%
Income taxes $8,390 22%
Charges for services $2,074 5%
Other taxes $2,591 7%
Other $1,344 3%
Interest and investment income $125 1%
Public utility taxes $1,617 4%
Motor fuel taxes $1,326 3%
Sales taxes $8,351 22%


Expenses - Governmental Activities
Fiscal Year Ending June 30, 2003
(in millions)
Intergovernmental $3,483 8%
Education $12,622 29%
Health and social services $ 16,072 37%
General Government $2,450 6%
Employment and economic development $1,311 3%
Interest on long-term debt $673 2%
Environment and business regulation $842 2%
Public protection and justice $2,116 5%
Transportation $3,569 8%

The State's governmental activities revenues increased $1.5 billion during fiscal year 2003 with the largest revenue increases in operating grant revenues ($1.1 billion) and miscellaneous income ($588 million) offsetting the decrease of $202 million in income tax revenues. The main components of the increase in miscellaneous income were a $212 million grant from the federal government as a part of the Jobs and Growth Tax Relief Reconciliation Act of 2003, a $88 million release of tobacco settlement monies pursuant to court order, and a $131 million increase in intergovernmental transfer revenues from Cook County. The State's governmental activities expenses increased $1.6 billion during fiscal year 2003 with the largest increases resulting from the allocation of the increase in net pension obligation of $1.4 billion.

**Business-type Activities:**

Net assets of business-type activities decreased $824 million during fiscal year 2003. The main factor contributing to this decrease was a loss of $1 billion in the Unemployment Compensation Trust Fund. This loss in conjunction with the prior year loss of $787 million has caused the State to explore various borrowing techniques in the short-term to finance the State's unemployment program.

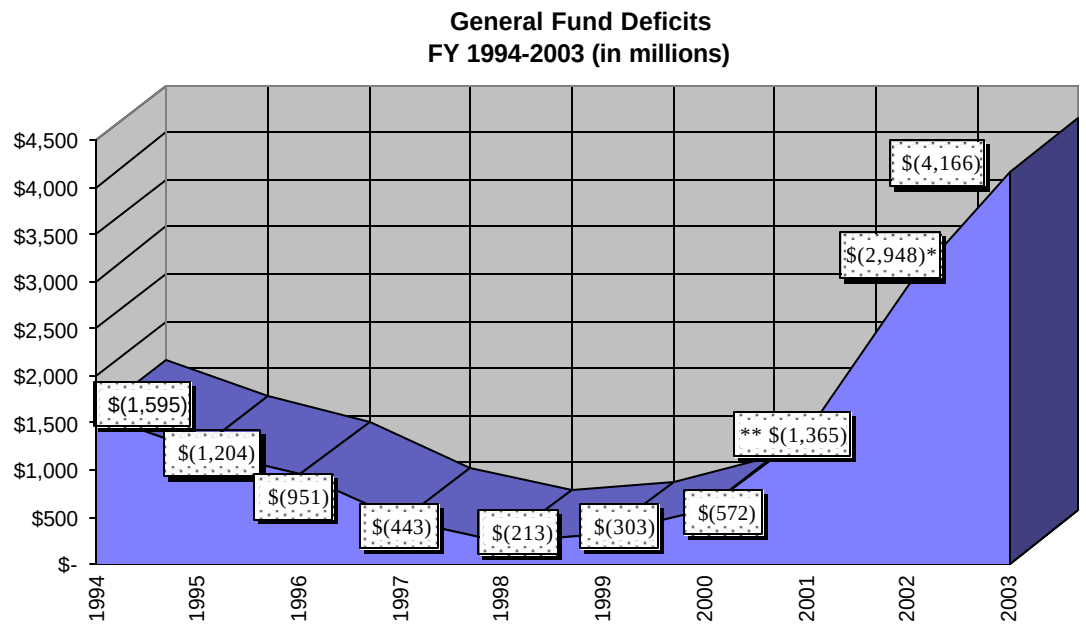
## FINANCIAL ANALYSIS OF THE STATE'S MAJOR GOVERNMENTAL FUNDS

### General Fund

The General Fund accounts for resources obtained and used for those services traditionally provided by the State which are not required to be accounted for in another fund. Accordingly, the majority of the State's tax revenues and program support expenses are accounted for in the General Fund. For financial reporting purposes the General Fund consists of several accounts of the State which are described on page 113. For budgetary purposes, the General Funds consist of the General Revenue Fund, Special Account Fund, Education Assistance Fund and Common School Fund Accounts.

During fiscal year 2003, the State's budgetary (cash basis) financial position was a deficit for the third consecutive year. At June 30, 2003, the General Funds budgetary fund balance was a deficit of $1.094 billion compared to a $1.220 billion deficit recorded in fiscal year 2002. However, $975 million of short-term loan proceeds were deposited into the General Funds in May 2003, which are required to be repaid by May 2004. As no short-term loans were outstanding at June 30, 2002, the actual balance in the General Funds taking into account the borrowing was a $2.069 billion deficit or a $849 million decrease between fiscal years.

At the same time, the State's General Fund GAAP balance decreased for the fifth consecutive year, dropping from a deficit of $2.948 billion, as restated, in fiscal year 2002, to a record deficit of $4.166 billion. This $1.218 billion drop is $365 million or 23% less than last year's $1.583 billion deterioration as shown below:




* Fiscal year 2002 was restated for a $106 million overstatement of health insurance costs, a $76 million understatement of refund recoveries, a $239 million understatement of tax revenues, and a $63 million overstatement of federal grant revenues. Comparable information for the understatement of tax revenues is not available for years prior to fiscal year 2002.

** Fiscal year 2001 was restated for a $130 million overstatement of income tax revenue and $43 million reduction of expenditures due to the implementation of GASB Interpretation No. 6. Comparative information for the effect of the implementation of GASB Interpretation No. 6 is not available for previous fiscal years. In addition, for years prior to fiscal year 2000, comparative information for revenues, which were restated due to the implementation of GASB Statement No. 33 in fiscal year 2001, and the corresponding effect on the General Fund deficit, is not available.

At the beginning of fiscal year 2003, the State entered into a $700 million short-term loan to increase the General Revenue Account, transferred $156 million in surplus money from other funds, and transferred $226 million from the Budget Stabilization Fund. These monies were used to pay the backlog of bills being held due to insufficient funds, including the backlog of Medicaid bills. After less than a week, the General Revenue Account payment delays began to accumulate again. In addition to the General Revenue Account, $150 million was borrowed for the Long-Term Care Provider Account and $150 million was borrowed for the Income Tax Refund Fund for a total short-term loan of $1 billion. Full payment of this short-term loan was made in June 2003.

Prior to full payment on the short-term loan, the State entered into another short-term loan which matures in May 2004. As mentioned above, the General Revenue Account received $975 million from this borrowing. The second short-term loan also borrowed $50 million for the Long-Term Care Provider Account and $475 million for the Income Tax Refund Fund for a total borrowing of $1.5 billion.

The factors that determine the GAAP fund balance of the General Funds include accrued liabilities payable from future year's appropriations. One of the largest components of those liabilities is Section 25 of the State Finance Act (Section 25) deferrals. After falling substantially from 1995 through 1997, Section 25 liabilities increased in each of the last six years reaching $752 million in 1998, $894 million in 1999, $1.075 billion in 2000, $1.118 billion in 2001, $1.436 billion in 2002, and $1.849 billion in 2003 – the fourth consecutive year that these deferrals have exceeded $1 billion. The $413 million growth in 2003 included a $493 million increase in the State's Medicaid program administered by the Department of Public Aid and a $80 million decrease in the group health insurance program for employees, retirees, and their dependents administered by the Department of Central Management Services.

Even with the increase in Section 25 deferrals, the State's General Fund expenditures on a GAAP basis only increased $260 million due to budget reductions at the beginning of the fiscal year. Revenues increased $658 million as federal government revenues increased $441 million and other revenues increased $436 million helping to offset a decrease in income taxes of $160 million and a decrease in interest and other investment income of $59 million. This net increase of $398 million coupled with a decrease of $33 million in net transfers, capital lease financing and changes in inventory explains the decrease in the State's net loss in the General Fund on a GAAP basis of $365 million.

**Road Fund**
The Road Fund incurred a $554 million loss in the current year and has a $274 million fund balance. The current year loss was caused mainly by the receipt of less federal reimbursements than expected. The Road Fund has an unreserved fund balance deficit of $941 million.

**Motor Fuel Tax Fund**
The Motor Fuel Tax Fund ended fiscal year 2003 with a $122 million fund balance (all unreserved) after incurring a $11 million gain.

**State Construction Account**
The State Construction Account's fund balance increased $37 million in fiscal year 2003 to an ending fund balance of $272 million. The unreserved portion of the State Construction Account's fund balance is a deficit of $123 million. Expenditures in the fund were decreased significantly during the year.

**Pension Contribution Fund**
The Pension Contribution Fund was established in fiscal year 2003 to account for proceeds of a $10 billion general obligation bond to be used for pension funding. A portion of the $9.2 billion fund balance will be paid to the Retirement Systems in fiscal year 2004 to fund a portion of the State's unfunded pension liability. The remainder of the fund balance will be used to reimburse the State's General Fund for the State's contributions to the Retirement Systems for fiscal year 2004.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets:

At June 30, 2003, the State had $16.591 billion in capital assets net of accumulated depreciation in the following categories:

**Capital Assets as of June 30**
**(net of depreciation, in millions of dollars)**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Land and land improvements | $ 2,288 | $ 2,189 | | | $ 2,288 | $ 2,189 |
| Site improvements | 314 | 306 | | | 314 | 306 |
| Buildings and building improvements | 2,171 | 2,021 | $ 1 | $ 1 | 2,172 | 2,022 |
| Equipment | 287 | 314 | 3 | 3 | 290 | 317 |
| Infrastructure | 11,283 | 10,806 | | | 11,283 | 10,806 |
| Other | 38 | 40 | | | 38 | 40 |
| Subtotal | 16,381 | 15,676 | 4 | 4 | 16,385 | 15,680 |
| Construction in progress | 206 | 267 | | | 206 | 267 |
| **Total** | $ 16,587 | $ 15,943 | $ 4 | $ 4 | $ 16,591 | $ 15,947 |

Infrastructure assets consist of 68% of the State's net capital assets and comprise $1.323 billion of the $1.776 billion (74%) of the current year additions to capital assets. The State capitalizes and depreciates its roads and road improvements over a twenty year period and its bridges over a forty year period. More detailed information regarding the State's capital assets is represented in Note 7 of the financial statements on page 66.

### Debt Administration:

### Bonded Indebtedness

The State, certain State agencies and component units of the State are empowered by law to authorize, issue and sell debt obligations. General obligation bonds, issued by the State, are backed by the full faith and credit of the State and are considered a direct debt of the State. Special obligation bonds are also considered direct debt of the State but are not backed by the full faith and credit of the State. Rather, special obligation bonds are supported and repaid only by a dedicated State revenue source. Revenue bonds are not backed by the full faith and credit of the State but are backed by a specific revenue stream. Some revenue bonds can be considered moral obligation debt which means that if resources from the specified revenue stream are insufficient to support the debt service, the State is then obligated. Also, some revenue bonds are classified as indirect debt which means that the asset is the property of a local government but part of the payment of the debt service comes from State resources. Lastly, some revenue bonds can be considered conduit debt which implies no obligation for the State. More detailed information regarding the State's long-term debt obligations is presented in Notes 9, 10 and 11 of the financial statements beginning on page 70.

During the fiscal year ending June 30, 2003, the State issued general obligation bonds totaling $12.3 billion including $564.9 million to pay off amounts outstanding on previously issued bonds that carried higher interest costs. In addition, the State issued special obligation bonds totaling $312.4 million including $130.2 million to pay off amounts outstanding on previously issued bonds that carried higher interest costs. Lastly, the State issued revenue bonds totaling $750.0 million. There were no refunding revenue bond issues during fiscal year 2003.

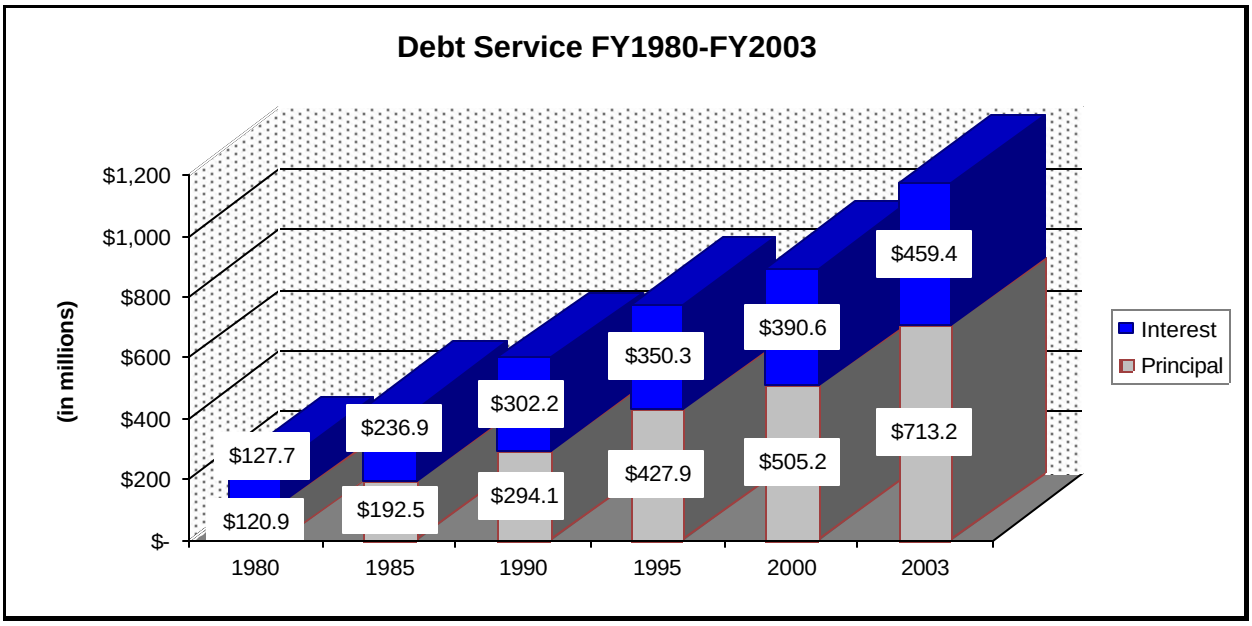
**Outstanding Bonded Debt as of June 30**
**(in millions of dollars)**

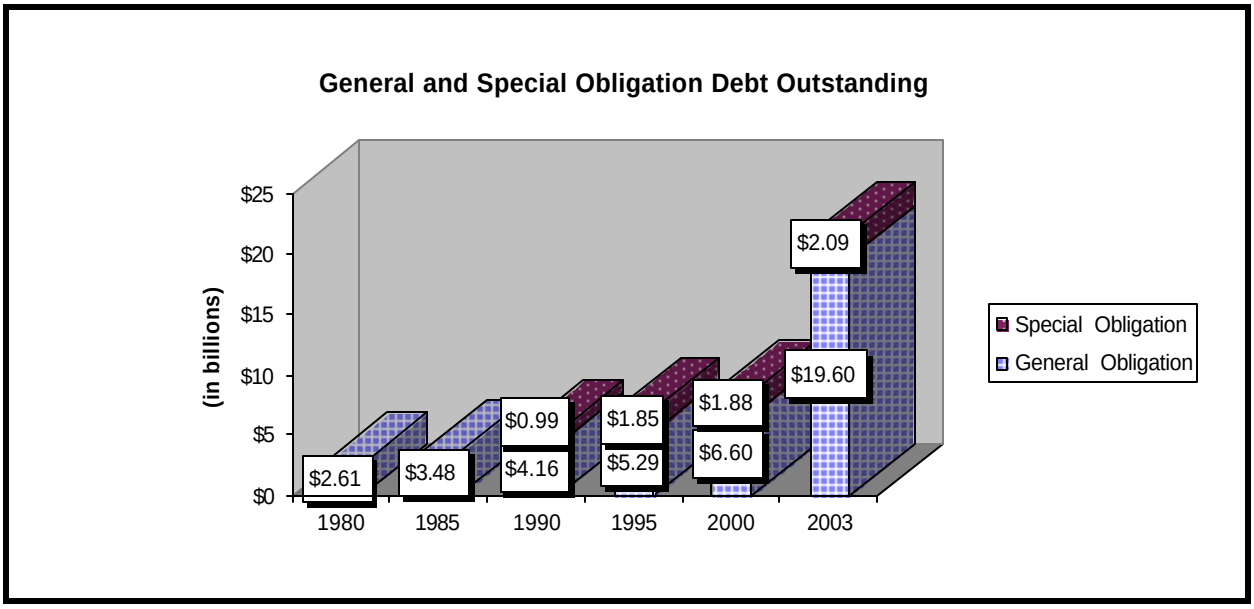
| Primary Government | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| General obligation bonds (backed by the State) | $19,600 | $ 8,405 | | | $19,600 | $ 8,405 |
| Special obligation bonds (backed by specific fee revenue) | 2,091 | 2,003 | | | 2,091 | 2,003 |
| Revenue bonds (backed by specific tax and fee revenue) | | | $3,260 | $2,651 | 3,260 | 2,651 |
| | $21,691 | $10,408 | $3,260 | $2,651 | $24,951 | $13,059 |

Illinois had outstanding general and special obligation bonds at June 30, 2003 totaling $21.7 billion. Bonds have been issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction and conservation purposes, and for maintenance and construction of highway and waterway facilities. Bonds also have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal and alternative energy sources.

Included in the $21.7 billion of general and special obligation bonds outstanding at June 30, 2003 is $10.0 billion of general obligation pension contribution bonds. On April 7, 2003, the Governor signed Public Act 93-0002 (House Bill 2660) that amended the General Obligation Bond Act (30 ILCS 330 et seq.) which authorized the sale of $10.0 billion of general obligation bonds for the purpose of making contributions to the Pension Contribution Fund (a major governmental fund). The net proceeds of this bond issue were used to: (i) reimburse the State's General Fund for a portion of the contributions to the Retirement Systems for the last quarter of fiscal year 2003; (ii) reimburse the State's General Fund for the State's contributions to the Retirement Systems for fiscal year 2004; and (iii) fund a portion of the State's unfunded portion of prior years retirement liabilities. These bonds were issued on June 12, 2003. In early fiscal year 2004, the Pension Contribution Fund transferred $7.3 billion to the various retirement systems to fulfill obligation (iii) above.

General and special obligation bonds, excluding refunding bonds, aggregating $11.7 billion and $182.2 million, respectively, were issued during fiscal year 2003 at average interest rates ranging from 2.500% to 5.375%. Debt service principal of $713.2 million and interest costs of $459.4 million were paid and charged, respectively, in fiscal year 2003. The dramatic increase since fiscal year 1980 is displayed in the following chart:




In addition to general and special obligation bonds, the primary government has $1.5 billion of general obligation certificates payable, $3.3 billion of revenue bonds, $100.3 million of notes payable and $1.4 billion of other long-term obligations outstanding as of June 30, 2003.

Both Moody's Investors Services and Fitch Ratings lowered the general obligation and special obligation-Build Illinois bond ratings during fiscal year 2003. Moody's Investors Services revised the State's bond rating from Aa2 to Aa3. Fitch Ratings revised the State's bond rating from AA+ to AA. The ratings revisions were based on the cumulative negative effect of the weak economy and stock market on the State's finances. Standard & Poor's rating of AA for general obligation bonds and AAA for special obligation-Build Illinois bonds remained unchanged from fiscal year 2002. In addition, Moody's Investors Services rating of A1 on special obligation-Civic Center bonds also remained unchanged.

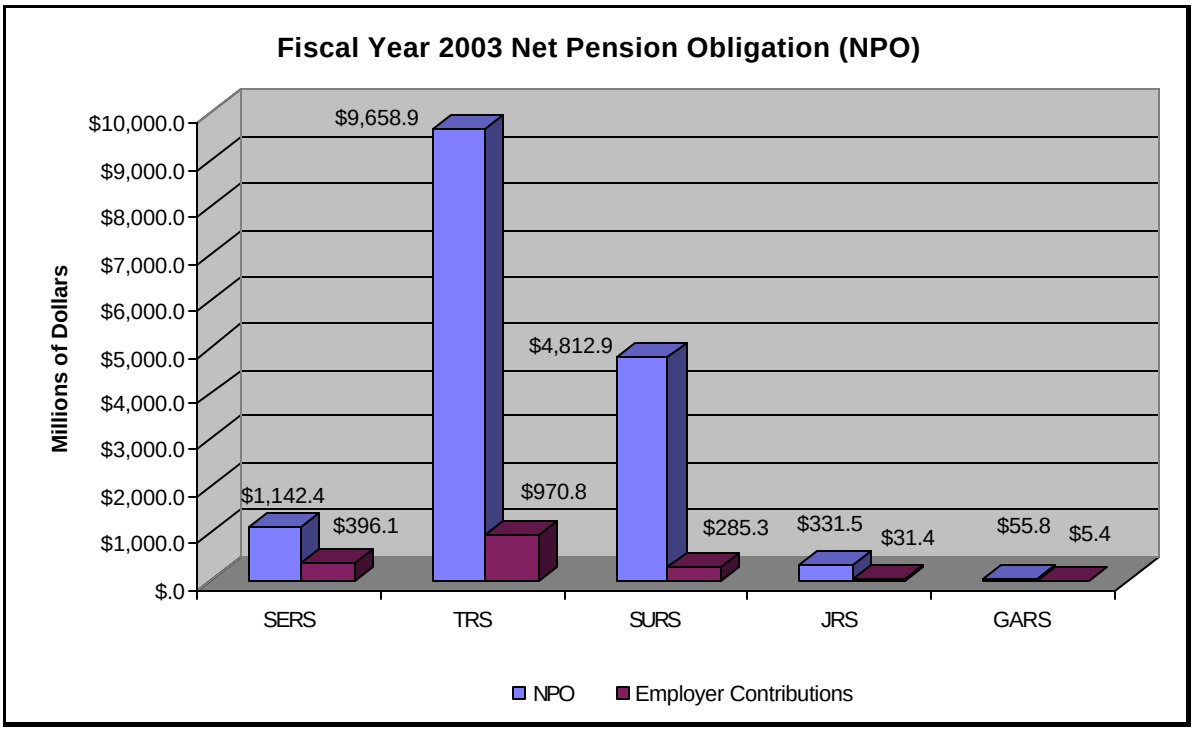
**Retirement Systems**

Total net assets of the State's five pension trust funds, on a "fair value" basis, aggregated $40.9 billion at June 30, 2003, an increase of $.5 billion (1%) from the previous year. The State reports assets in the pension trust funds in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers.* The statement requires, among other things, that assets be valued at *fair market value*.

The majority of the $.5 billion increase in net assets can be explained by investments (at fair value) appreciating by $346.2 million opposed to depreciating $3.1 billion in the previous fiscal year in which $2.5 billion was lost.

GASB Statement 27 focuses the reader of the State's CAFR on annual pension cost (APC) in accordance with certain accounting parameters as compared to the amount contributed. The State retirement systems were underfunded by $1.4 billion during fiscal year 2003 and this amount has been added to the Net Pension Obligation (NPO) in the Statement of Activities as increased governmental activity expenses (See chart below). Of the $1.4 billion, $790.9 million occurred at TRS where the APC was calculated to be $1.8 billion and employer contributions were $970.8 million and $463.8 million at SURS where the APC was calculated to be $749.1 million and employer contributions were $285.3 million.

During fiscal year 2003, all of the State systems were funded in accordance with the *statutory funding* requirement. The new law enacted in fiscal year 1996 provides for a 50-year funding plan with a 15 year phase-in and a "continuing appropriation." The continuing appropriation provides the Comptroller's Office with the authority to automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly's appropriation process. However, the State's 50-year funding plan does *not* meet the more stringent 40-year minimum amortization "parameters" required to be reported in the State's financial statements in accordance with GASB Statement 27.



## ECONOMIC CONDITION AND OUTLOOK

### Fiscal Year 2003

Fiscal year 2003 was a year of decline for the Illinois economy with lower employment and a higher average quarterly unemployment rate than in the prior fiscal year. The average quarterly Illinois unemployment rate increased from 6.0% in fiscal year 2002 to 6.5% for 2003, its highest level since 6.6% in fiscal year 1994. Illinois' non-agricultural employment (derived from survey data from Illinois companies) averaged 5.881 million workers in fiscal year 2003, a decrease of 43,000 jobs or 0.7% below 2002 employment and 164,000 jobs or 2.7% below peak employment of 6.045 million jobs in fiscal 2001. During the nine consecutive years of employment growth culminating in fiscal year 2001, Illinois added 830,000 non-agricultural jobs (a 15.9% increase).

The Illinois labor market did show signs of improvement during the fiscal year. The average quarterly Illinois unemployment rate declined from 6.7% to 6.4% between the first two and the second two quarters of the year. Average employment (from the household survey used to estimate the unemployment rate) increased from 5.941 million to 5.982 million, while the average number of unemployed decreased from 424,000 to 408,000.

Manufacturing continues to be the hardest hit sector of the Illinois economy. Average fiscal year 2003 employment of 744,000 jobs was down 35,000 jobs or 4.5% from fiscal year 2002 and down 163,000 jobs or 18.0% from the cyclical peak manufacturing employment of 907,000 jobs during fiscal year 1998.

A more comprehensive measure of Illinois' economic performance is the change in state personal income adjusted for inflation. Personal income includes wages and salaries, property income, and transfer payments such as social security. Illinois personal income adjusted for inflation declined 0.4% for the second consecutive year in fiscal year 2003. A 1.8% increase in nominal personal income was more than offset by a 2.2% increase in the consumer price index. This was the first two year decrease in real Illinois personal income since fiscal years 1982 and 1983. This recession followed a ten year period where annual Illinois economy growth was at least 1.2%.

Global Insight, Inc., an economic and financial information company, has forecasted the Illinois unemployment rate to increase to 6.7% for fiscal year 2004 with non-agricultural employment decreasing by 9,000 jobs or 0.2% to 5.872 million. In addition, Global Insight Inc. projects an increase in personal income adjusted for inflation of 1.7% in fiscal year 2004 with personal income growing 3.3% in relation to an increase in the consumer price index of 1.6%.

## REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors a general overview of the State's financial position and changes in the State's net assets for the year ended June 30, 2003. If you have any questions about this report or need additional financial information, contact the Office of the Comptroller at (217) 782-6000.

The State's component units issue their own separately issued audited financial statements and reports. These statements and reports may be obtained by directly contacting the component unit. Contact information can be obtained from the Office of the Comptroller at (217) 782-6000.

**This Page Intentionally Left Blank**

*State of Illinois*

# Statement of Net Assets

**June 30, 2003 (Expressed in Thousands)**

| | Primary Government | | | |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Component Units |
| **ASSETS** | | | | |
| Cash equity with State Treasurer | $ 14,226,627 | $ 409,422 | $ 14,636,049 | $ 362,009 |
| Cash and cash equivalents | 177,806 | 46,152 | 223,958 | 635,288 |
| Investments | 134,378 | 548,820 | 683,198 | 1,209,179 |
| Receivables, net: | | | | |
| Taxes | 1,228,462 | 288,208 | 1,516,670 | |
| Intergovernmental | 2,086,055 | 92,127 | 2,178,182 | 4,229 |
| Other | 226,080 | 124,211 | 350,291 | 371,291 |
| Unrestricted internal balances | (25,876) | 39,755 | 13,879 | |
| Due from fiduciary funds | 227 | 610 | 837 | |
| Due from component units | 28,393 | 193 | 28,586 | 17,230 |
| Due from primary government | | | | 98,156 |
| Inventories | 82,913 | 3,400 | 86,313 | 41,723 |
| Prepaid expenses | 18,687 | 229 | 18,916 | 37,726 |
| Unamortized bond issuance costs | 59,343 | 630 | 59,973 | 40,078 |
| Loans and notes receivable, net | 44,497 | 983,551 | 1,028,048 | 1,805,117 |
| Restricted assets: | | | | |
| Cash equity with State Treasurer | 302,852 | | 302,852 | |
| Cash and cash equivalents | 4,937 | 173,455 | 178,392 | 205,037 |
| Investments | 2,670 | 597,408 | 600,078 | 1,651,133 |
| Taxes receivable | 51 | | 51 | |
| Intergovernmental receivables | 217,611 | | 217,611 | |
| Other receivables | 739 | 50,369 | 51,108 | 12,224 |
| Internal balances | (14,988) | 1,109 | (13,879) | |
| Inventories | | | | 48 |
| Loans and notes receivable, net | 80,351 | 2,787,653 | 2,868,004 | 10,341 |
| Other assets | 66 | | 66 | 1,032 |
| Other assets | 15,392 | 300 | 15,692 | 94,656 |
| Capital assets not being depreciated | 2,532,341 | 190 | 2,532,531 | 1,034,640 |
| Capital assets being depreciated, net | 14,054,335 | 3,526 | 14,057,861 | 4,863,076 |
| **Total assets** | 35,483,949 | 6,151,318 | 41,635,267 | 12,494,213 |
| **LIABILITIES** | | | | |
| Accounts payable and accrued liabilities | 5,306,260 | 173,366 | 5,479,626 | 502,714 |
| Intergovernmental payables | 2,397,404 | 63,459 | 2,460,863 | 3,476 |
| Due to fiduciary funds | 53,067 | 4 | 53,071 | |
| Due to component units | 96,068 | 57 | 96,125 | 17,230 |
| Due to primary government | | | | 34,924 |
| Deferred revenues | 352,277 | 11,521 | 363,798 | 246,367 |
| General obligation certificates payable | 1,509,420 | | 1,509,420 | |
| Liabilities payable from restricted assets | | | | 82,257 |
| Other liabilities | | | | 58,900 |
| Long term obligations: | | | | |
| Due within one year | 946,182 | 456,884 | 1,403,066 | 527,022 |
| Due subsequent to one year | 37,746,776 | 3,328,777 | 41,075,553 | 4,506,928 |
| **Total liabilities** | 48,407,454 | 4,034,068 | 52,441,522 | 5,979,818 |
| **NET ASSETS** | | | | |
| Invested in capital assets, net of related debt | 11,588,045 | 3,615 | 11,591,660 | 3,686,159 |
| Restricted for: | | | | |
| Capital projects | 767 | | 767 | 24,746 |
| Debt service | 1,242,502 | 215,950 | 1,458,452 | 64,044 |
| Municipal lending | | 1,286,394 | 1,286,394 | |
| Unemployment compensation benefits | | 431,269 | 431,269 | |
| Permanent Funds: | | | | |
| Expendable | 334 | | 334 | |
| Nonexpendable | 2,563 | | 2,563 | |
| Education | 70,440 | | 70,440 | |
| Employment and economic development | 120,597 | | 120,597 | |
| Health and social services | 24,309 | | 24,309 | |
| Public protection and justice | 14,254 | | 14,254 | |
| Environment and business regulation | 89,592 | | 89,592 | |
| Transportation | 49,345 | | 49,345 | |
| Nonexpendable purposes | | | | 615,898 |
| Other expendable purposes | | | | 684,838 |
| Other purposes | 240,329 | 42,480 | 282,809 | 477,259 |
| Unrestricted net assets | (26,366,582) | 137,542 | (26,229,040) | 961,451 |
| **Total net assets** | $ (12,923,505) | $ 2,117,250 | $ (10,806,255) | $ 6,514,395 |

The accompanying notes to the financial statements are an integral part of this statement.

*State of Illinois*

# Statement of Activities

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Primary government** | | | | |
| Governmental activities | | | | |
| Health and social services | $ 16,071,805 | $ 96,670 | $ 9,329,672 | |
| Education | 12,621,510 | 2,306 | 1,727,578 | |
| General government | 2,450,460 | 1,614,665 | 38,233 | |
| Employment and economic development | 1,311,068 | 24,983 | 485,481 | $ 49 |
| Transportation | 3,568,584 | 20,685 | 159,255 | 716,218 |
| Public protection and justice | 2,115,889 | 81,633 | 128,918 | |
| Environment and business regulation | 842,393 | 232,659 | 72,442 | 3,492 |
| Intergovernmental | 3,483,426 | | | |
| Interest | 672,707 | | | |
| Total governmental activities | 43,137,842 | 2,073,601 | 11,941,579 | 719,759 |
| Business-type activities | | | | |
| Unemployment compensation trust | 3,054,290 | 2,009,704 | | |
| Water revolving | 15,828 | 38,169 | 127,110 | |
| Designated account purchase program | 112,153 | 91,748 | 28,497 | |
| Insurance programs | 280,822 | 305,126 | | |
| Lottery | 1,054,094 | 1,589,846 | | |
| Prepaid tuition program | 25,825 | 13,615 | | |
| Other | 147,998 | 159,253 | | |
| Total business-type activities | 4,691,010 | 4,207,461 | 155,607 | |
| **Total primary government** | $ 47,828,852 | $6,281,062 | $ 12,097,186 | $ 719,759 |
| **Component units** | | | | |
| Authorities | | | | |
| Illinois Housing Development Authority | $ 308,436 | $ 134,936 | $ 177,180 | |
| Toll Highway Authority | 357,136 | 372,046 | | |
| Other Authorities | 135,188 | 84,225 | 4,382 | |
| Universities | | | | |
| Illinois State University | 312,382 | 157,001 | 25,881 | $ 467 |
| Northern Illinois University | 378,878 | 171,046 | 56,162 | 1,555 |
| Southern Illinois University | 735,457 | 304,084 | 81,993 | 12,832 |
| University of Illinois | 3,325,936 | 1,280,912 | 860,228 | 17,329 |
| Other Universities | 610,354 | 228,680 | 94,844 | 36 |
| **Total component units** | $ 6,163,767 | $2,732,930 | $ 1,300,670 | $ 32,219 |
| **General revenues** | | | | |
| Taxes: | | | | |
| Income taxes | | | | |
| Sales taxes | | | | |
| Motor fuel taxes | | | | |
| Public utility taxes | | | | |
| Other taxes | | | | |
| Interest and investment income | | | | |
| Other revenues | | | | |
| Payments from the State of Illinois | | | | |
| Additions to permanent endowments | | | | |
| Transfers | | | | |
| Total general revenues, payments from the State of Illinois, additions to permanent funds and transfers | | | | |
| Change in net assets | | | | |
| Net assets, July 1, 2002, as restated | | | | |
| Net assets, June 30, 2003 | | | | |

The accompanying notes to the financial statements are an integral part of this statement.

| Net (Expense) Revenues and Changes in Net Assets | | | |
|---|---|---|---|
| Primary Government | | | |
| Governmental Activities | Business-type Activities | Total | Component Units |
| $ (6,645,463) | | $ (6,645,463) | |
| (10,891,626) | | (10,891,626) | |
| (797,562) | | (797,562) | |
| (800,555) | | (800,555) | |
| (2,672,426) | | (2,672,426) | |
| (1,905,338) | | (1,905,338) | |
| (533,800) | | (533,800) | |
| (3,483,426) | | (3,483,426) | |
| (672,707) | | (672,707) | |
| (28,402,903) | | | |
| | $ (1,044,586) | (1,044,586) | |
| | 149,451 | 149,451 | |
| | 8,092 | 8,092 | |
| | 24,304 | 24,304 | |
| | 535,752 | 535,752 | |
| | (12,210) | (12,210) | |
| | 11,255 | 11,255 | |
| | (327,942) | | |
| | | (28,730,845) | |
| | | | $ 3,680 |
| | | | 14,910 |
| | | | (46,581) |
| | | | (129,033) |
| | | | (150,115) |
| | | | (336,548) |
| | | | (1,167,467) |
| | | | (286,794) |
| | | | (2,097,948) |
| 8,390,241 | | 8,390,241 | |
| 8,350,714 | | 8,350,714 | |
| 1,325,748 | | 1,325,748 | |
| 1,616,763 | | 1,616,763 | |
| 2,591,336 | | 2,591,336 | |
| 125,184 | 32,870 | 158,054 | 98,065 |
| 1,344,446 | 114 | 1,344,560 | 270,740 |
| | | | 2,066,885 |
| | | | 31,783 |
| 528,711 | (528,711) | - | |
| 24,273,143 | (495,727) | 23,777,416 | 2,467,473 |
| (4,129,760) | (823,669) | (4,953,429) | 369,525 |
| (8,793,745) | 2,940,919 | (5,852,826) | 6,144,870 |
| $ (12,923,505) | $ 2,117,250 | $ (10,806,255) | $ 6,514,395 |

*State of Illinois*

# Balance Sheet - Governmental Funds

**June 30, 2003 (Expressed in Thousands)**

| | General Fund | Road Fund | Motor Fuel Tax Fund | State Construction Account | Pension Contribution Fund | Other Non-major Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| Cash equity with State Treasurer | $ 1,056,794 | $ 464,130 | $ 114,647 | $ 245,172 | $ 9,177,293 | $ 3,380,235 | $ 14,438,271 |
| Cash and cash equivalents | 1,119 | 409 | | | | 53,669 | 55,197 |
| Investments | 150 | | | | | 136,898 | 137,048 |
| Receivables, net: | | | | | | | |
| Taxes | 891,338 | | 128,294 | | | 208,881 | 1,228,513 |
| Intergovernmental | 1,660,979 | 115,206 | | | | 526,913 | 2,303,098 |
| Other | 110,217 | 37,920 | | 274 | | 73,333 | 221,744 |
| Due from other funds | 89,067 | 25,026 | | 83,751 | | 257,823 | 455,667 |
| Due from component units | 18,123 | | | | | 3,638 | 21,761 |
| Inventories | 31,651 | 18,582 | | | | 21,082 | 71,315 |
| Loans and notes receivable, net | 13,564 | | | | | 111,284 | 124,848 |
| Other assets | 4,092 | | | | | 11,366 | 15,458 |
| **Total assets** | $ 3,877,094 | $ 661,273 | $ 242,941 | $ 329,197 | $ 9,177,293 | $ 4,785,122 | $ 19,072,920 |
| **LIABILITIES** | | | | | | | |
| Accounts payable and accrued liabilities | $ 4,085,101 | $ 147,036 | $ 10,651 | $ 54,919 | | $ 546,721 | $ 4,844,428 |
| Intergovernmental payables | 1,240,515 | 106,567 | 49,939 | 2,116 | | 998,103 | 2,397,240 |
| Due to other funds | 415,755 | 94,456 | 44,699 | | | 191,898 | 746,808 |
| Due to component units | 68,660 | 4,718 | | 28 | | 22,641 | 96,047 |
| Deferred revenues | 719,051 | 31,483 | 15,472 | | | 327,533 | 1,093,539 |
| General obligation certificates payable | 1,509,420 | | | | | | 1,509,420 |
| Matured portion of long-term liabilities | 4,364 | 2,628 | | | | 11,866 | 18,858 |
| **Total liabilities** | 8,042,866 | 386,888 | 120,761 | 57,063 | | 2,098,762 | 10,706,340 |
| **FUND BALANCES (DEFICITS)** | | | | | | | |
| Reserved for: | | | | | | | |
| Encumbrances | 67,937 | 1,194,537 | 31 | 394,759 | | 1,744,370 | 3,401,634 |
| Long-term portion of: | | | | | | | |
| Intergovernmental receivables | 211,160 | 1,743 | | | | | 212,903 |
| Other receivables | | 225 | | | | 2,953 | 3,178 |
| Loans and notes receivable | 13,169 | | | | | 92,252 | 105,421 |
| Other assets | 349 | | | | | 14,406 | 14,755 |
| Inventories | 31,651 | 18,582 | | | | 21,082 | 71,315 |
| Debt service | | | | | | 1,217,431 | 1,217,431 |
| Capital projects | | | | | | 28,698 | 28,698 |
| Unreserved: | | | | | | | |
| General fund | (4,490,038) | | | | | | (4,490,038) |
| Special revenue funds | | (940,702) | 122,149 | (122,625) | 9,177,293 | 1,101,882 | 9,337,997 |
| Capital projects funds | | | | | | (1,539,611) | (1,539,611) |
| Permanent trust funds | | | | | | 2,897 | 2,897 |
| Total fund balances (deficits) | (4,165,772) | 274,385 | 122,180 | 272,134 | 9,177,293 | 2,686,360 | 8,366,580 |
| **Total liabilities and fund balances (deficits)** | $ 3,877,094 | $ 661,273 | $ 242,941 | $ 329,197 | $ 9,177,293 | $ 4,785,122 | $ 19,072,920 |

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**
**Reconciliation of Governmental Funds Balance Sheet**
**to Statement of Net Assets**
**June 30, 2003**
**(Expressed in Thousands)**

| | | |
|---|---|---|
| **Total fund balances-governmental funds** | | $ 8,366,580 |
| Amounts reported for governmental activities in the Statement of Net Assets are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 16,535,599 |
| Prepaid expenses for governmental activities are current uses of financial resources for funds | | 18,077 |
| Bond issuance costs are reported as current expenditures in the funds. However, bond issuance costs are deferred and amortized over the life of the bonds and are included as governmental activities in the Statement of Net Assets. | | 59,343 |
| Internal service funds are used to charge costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported as governmental activities in the Statement of Net Assets. | | 168,339 |
| Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds. | | 745,222 |
| Bond refunding costs are reported as current expenditures in the funds. However, bond refunding costs are deferred and amortized over the life of the defeased bonds and are included as governmental activities in the Statement of Net Assets. | | 54,522 |
| Some liabilities reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of: | | |
| Net pension obligation | (16,001,428) | |
| General obligation bonds | (19,599,971) | |
| Special obligation bonds | (2,091,170) | |
| Unamortized premiums | (272,859) | |
| Other commitments | (55,562) | |
| Compensated absences | (404,721) | |
| Certificates of participation | (130,720) | |
| Workers' compensation | (126,765) | |
| Capital lease and installment purchase obligations | (32,723) | |
| Accrued interest | (155,268) | |
| | | (38,871,187) |
| **Net assets of governmental activities** | | $ (12,923,505) |

The accompanying notes to the financial statements are an integral part of this statement.

*State of Illinois*

# Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | General Fund | Road Fund | Motor Fuel Tax Fund | State Construction Account | Pension Contribution Fund | Other Non-major Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Income taxes | $ 7,846,082 | | | | | $ 539,175 | $ 8,385,257 |
| Sales taxes | 6,048,153 | | | | | 2,302,368 | 8,350,521 |
| Motor fuel taxes | | | $ 1,305,569 | | | 72,426 | 1,377,995 |
| Public utility taxes | 1,062,711 | | | | | 550,341 | 1,613,052 |
| Other taxes | 1,693,752 | | 9 | | | 908,618 | 2,602,379 |
| Federal government | 5,641,003 | $ 705,488 | | | | 5,526,651 | 11,873,142 |
| Licenses and fees | 75,045 | 731,985 | 1,614 | $ 500,150 | | 367,002 | 1,675,796 |
| Interest and other investment income | 60,410 | 12,098 | | 2,641 | | 49,386 | 124,535 |
| Other | 1,346,620 | 64,995 | | | | 751,112 | 2,162,727 |
| **Total revenues** | 23,773,776 | 1,514,566 | 1,307,192 | 502,791 | | 11,067,079 | 38,165,404 |
| **EXPENDITURES** | | | | | | | |
| Current: | | | | | | | |
| Health and social services | 12,560,629 | | | | | 3,492,330 | 16,052,959 |
| Education | 8,612,292 | | | | | 2,740,089 | 11,352,381 |
| General government | 1,529,566 | 225,340 | 59,675 | | $ 38,799 | 361,825 | 2,215,205 |
| Employment and economic development | 165,801 | | | | | 1,146,649 | 1,312,450 |
| Transportation | 59,226 | 1,429,881 | 625,679 | 51,430 | | 537,320 | 2,703,536 |
| Public protection and justice | 1,691,038 | 97,205 | | | | 264,342 | 2,052,585 |
| Environment and business regulation | 187,175 | | | | | 640,325 | 827,500 |
| Debt service: | | | | | | | |
| Principal | 11,194 | 1,692 | 132 | 7,671 | | 722,412 | 743,101 |
| Interest | 1,684 | 178 | 4 | 967 | | 488,988 | 491,821 |
| Capital outlays | 23,878 | 410,318 | 272 | 638,328 | | 681,912 | 1,754,708 |
| Intergovernmental | | | | | | 3,483,426 | 3,483,426 |
| **Total expenditures** | 24,842,483 | 2,164,614 | 685,762 | 698,396 | 38,799 | 14,559,618 | 42,989,672 |
| **Excess (deficiency) of revenues over (under) expenditures** | (1,068,707) | (650,048) | 621,430 | (195,605) | (38,799) | (3,492,539) | (4,824,268) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | | |
| General and special obligation bonds issued | | | | | 9,518,961 | 2,375,343 | 11,894,304 |
| Premiums on general and special obligation bonds issued | | | | | | 116,805 | 116,805 |
| Discounts on general obligation bonds issued | | | | | (2,869) | | (2,869) |
| General and special obligation refunding bonds issued | | | | | | 695,025 | 695,025 |
| Premiums on general and special obligation refunding bonds issued | | | | | | 65,573 | 65,573 |
| Transfers-in | 2,887,927 | 324,863 | 156 | 223,475 | | 4,047,281 | 7,483,702 |
| Transfers-out | (3,036,357) | (229,507) | (610,378) | | (300,000) | (2,778,749) | (6,954,991) |
| Payment to refunded bond escrow agent | | | | | | (757,330) | (757,330) |
| Proceeds from other financing sources | | | | 8,778 | | | 8,778 |
| Capital lease financing | 2,387 | 727 | | | | 1,301 | 4,415 |
| **Net other sources (uses) of financial resources** | (146,043) | 96,083 | (610,222) | 232,253 | 9,216,092 | 3,765,249 | 12,553,412 |
| **Net change in fund balances** | (1,214,750) | (553,965) | 11,208 | 36,648 | 9,177,293 | 272,710 | 7,729,144 |
| Fund balances (deficits), July 1, 2002, as restated | (2,947,692) | 830,783 | 110,972 | 235,486 | | 2,410,303 | 639,852 |
| Increase (decrease) for changes in inventories | (3,330) | (2,433) | | | | 3,347 | (2,416) |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (4,165,772) | $ 274,385 | $ 122,180 | $ 272,134 | $ 9,177,293 | $ 2,686,360 | $ 8,366,580 |

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**
**Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities**
**For the Year Ended June 30, 2003**
**(Expressed in Thousands)**

| | | |
|---|---|---|
| **Net change in fund balances** | | $ 7,729,144 |
| Change in inventories | | (2,416) |
| | | 7,726,728 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period. | | 712,005 |
| Bond proceeds and other financing sources proceeds provide current financial resources to governmental funds, but the issuance increases long-term obligations in the Statement of Net Assets. In the current period, proceeds were received from: | | |
| Bonds obligations including net premiums of $68,606 | (12,768,839) | |
| Other financing obligations | (8,778) | |
| Total proceeds | | (12,777,617) |
| Bond issue costs are reported as current expenditures in the funds. However, deferred issuance costs are amortized over the life of the bonds and are included in the governmental activities in the Statement of Net Assets. | | 51,672 |
| Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of: | | |
| Bond principal retirements | 713,200 | |
| Capital lease principal payments | 14,860 | |
| Certificates of participation principal retirements | 7,370 | |
| Other financing obligations principal payments | 7,671 | |
| Payments to the bond refunding agent | 757,330 | |
| Total repayments | | 1,500,431 |
| Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Assets the lease obligation is reported as a liability. | | (4,415) |
| Internal service funds are used to charge to costs of certain activities to individual funds. The net revenue of the internal service funds is reported as governmental activities in the Statement of Activities. | | 24,413 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | | 113,875 |
| Prepaid expenses in the Statement of Net Assets are not reported as expenses in governmental funds. | | 7,162 |
| Proceeds from sales of capital assets are reported in the governmental funds. However, in the Statement of Activities, losses from the sale of capital assets are also reported. This is the amount the losses from the sale of capital assets exceeded proceeds. | | (64,827) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Below are such activities. | | |
| Increase in net pension obligation | (1,368,402) | |
| Decrease in compensated absences obligation | 126,745 | |
| Interest accreted on capital appreciation debt | (111,801) | |
| Deferred loss on current year refundings of debt | 50,305 | |
| Redemption premiums for refundings of debt | (10,572) | |
| Accrued interest paid to refunding agent | (41,178) | |
| Amortization of bond premiums | 18,432 | |
| Amortization of bond issuance costs | (2,232) | |
| Amortization of deferred loss on refundings of debt | (23,848) | |
| Increase in workers' compensation obligation | (862) | |
| Increase in accrued interest on obligations | (56,314) | |
| Decrease in other obligations | 540 | |
| | | (1,419,187) |
| **Change in net assets of governmental activities** | | $ (4,129,760) |

The accompanying notes to the financial statements are an integral part of this statement.

*State of Illinois*

# Statement of Net Assets - Proprietary Funds

**June 30, 2003 (Expressed in Thousands)**

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| | Major | | | | | |
| | Unemployment Compensation Trust Fund | Water Revolving Fund | Designated Account Purchase Program Fund | Non-major Proprietary Funds | Total | |
| **ASSETS** | | | | | | |
| Cash equity with State Treasurer | | $ 292,180 | | $ 117,242 | $ 409,422 | $ 91,208 |
| Cash and cash equivalents | $ 8,355 | 14,063 | $ 3,555 | 20,179 | 46,152 | 127,438 |
| Investments, short-term | 97,319 | 2,904 | 247 | 34,447 | 134,917 | |
| Receivables, net: | | | | | | |
| Taxes | 288,208 | | | | 288,208 | |
| Intergovernmental | 51,093 | 38,000 | | 3,034 | 92,127 | 568 |
| Other | 62,204 | 32,120 | | 29,887 | 124,211 | 5,075 |
| Due from other funds | 14,851 | | | 48,976 | 63,827 | 203,532 |
| Due from component units | 193 | | | | 193 | 6,632 |
| Loans and notes receivable, net | | 66,100 | | | 66,100 | |
| Restricted assets: | | | | | | |
| Cash and cash equivalents | | | 173,455 | | 173,455 | |
| Investments | | | 597,408 | | 597,408 | |
| Other receivables, net | | | 50,369 | | 50,369 | |
| Due from other funds | | | 1,109 | | 1,109 | |
| Loans and notes receivable, net | | 23,445 | 420,246 | | 443,691 | |
| Inventories | | | | 3,400 | 3,400 | 11,598 |
| Prepaid expenses | | | | 229 | 229 | 610 |
| Other assets | | | 300 | | 300 | |
| **Total current assets** | 522,223 | 468,812 | 1,246,689 | 257,394 | 2,495,118 | 446,661 |
| Investments | | 70,554 | | 343,349 | 413,903 | |
| Loans and notes receivable, net | | 917,451 | | | 917,451 | |
| Restricted assets: | | | | | | |
| Cash and cash equivalents | | | | | | 108 |
| Loans and notes receivable, net | | 233,945 | 2,110,017 | | 2,343,962 | |
| Unamortized bond issuance costs | | 630 | | | 630 | |
| Capital assets not being depreciated | | | | 190 | 190 | 1,761 |
| Capital assets being depreciated, net | | 170 | 131 | 3,225 | 3,526 | 49,316 |
| **Total assets** | 522,223 | 1,691,562 | 3,356,837 | 604,158 | 6,174,780 | 497,846 |
| **LIABILITIES** | | | | | | |
| Accounts payable and accrued liabilities | 75,385 | 2,638 | 13,219 | 82,124 | 173,366 | 306,564 |
| Intergovernmental payables | 12,439 | 51,019 | | 1 | 63,459 | 164 |
| Due to other funds | 3,130 | 98 | 16 | 20,222 | 23,466 | 6,095 |
| Due to component units | | 57 | | | 57 | 21 |
| Deferred revenues | | | | 11,521 | 11,521 | 3,960 |
| Current portion of long-term obligations | | 8,688 | 415,769 | 32,427 | 456,884 | 4,908 |
| **Total current liabilities** | 90,954 | 62,500 | 429,004 | 146,295 | 728,753 | 321,712 |
| Noncurrent portion of long-term obligations | | 147,244 | 2,785,210 | 396,323 | 3,328,777 | 7,795 |
| **Total liabilities** | 90,954 | 209,744 | 3,214,214 | 542,618 | 4,057,530 | 329,507 |
| **NET ASSETS** | | | | | | |
| Invested in capital assets, net of related debt | | 170 | 131 | 3,314 | 3,615 | 44,919 |
| Net assets restricted for: | | | | | | |
| Debt service | | 73,458 | 142,492 | | 215,950 | 108 |
| Municipal lending | | 1,286,394 | | | 1,286,394 | |
| Unemployment compensation benefits | 431,269 | | | | 431,269 | |
| Other purposes | | | | 42,480 | 42,480 | |
| Unrestricted | | 121,796 | | 15,746 | 137,542 | 123,312 |
| **Total net assets** | $ 431,269 | $ 1,481,818 | $ 142,623 | $ 61,540 | $ 2,117,250 | $ 168,339 |

The accompanying notes to the financial statements are an integral part of this statement.

*State of Illinois*

# Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| | Major | | | | | |
| | Unemployment Compensation Trust Fund | Water Revolving Fund | Designated Account Purchase Program Fund | Non-major Proprietary Funds | Total | |
| **OPERATING REVENUES** | | | | | | |
| Charges for sales and services | | | | $ 2,028,083 | $ 2,028,083 | $ 1,579,409 |
| Interest income pledged as revenue bond security | | | $ 91,748 | | 91,748 | |
| Interest and other investment income | | $ 38,169 | | 11,058 | 49,227 | |
| Employer contributions | $ 1,367,760 | | | | 1,367,760 | |
| Federal government | 641,944 | | | | 641,944 | |
| Other | | | | 28,699 | 28,699 | 8,723 |
| **Total operating revenues** | 2,009,704 | 38,169 | 91,748 | 2,067,840 | 4,207,461 | 1,588,132 |
| **OPERATING EXPENSES** | | | | | | |
| Cost of sales and services | | | | 143,459 | 143,459 | 234,570 |
| Benefit payments and refunds | 3,054,290 | | | 291,738 | 3,346,028 | 1,274,388 |
| Prizes and claims | | | | 885,170 | 885,170 | |
| Interest | | | 56,721 | 8 | 56,729 | |
| General and administrative | | 9,626 | 55,401 | 121,217 | 186,244 | 33,735 |
| Depreciation | | 93 | 31 | 1,140 | 1,264 | 13,073 |
| Other | | | | 65,987 | 65,987 | 10,377 |
| **Total operating expenses** | 3,054,290 | 9,719 | 112,153 | 1,508,719 | 4,684,881 | 1,566,143 |
| **Operating income (loss)** | (1,044,586) | 28,450 | (20,405) | 559,121 | (477,420) | 21,989 |
| **NONOPERATING REVENUES (EXPENSES)** | | | | | | |
| Interest and investment income | 28,664 | 2,222 | | 1,984 | 32,870 | 649 |
| Interest expense | | (6,100) | | (9) | (6,109) | (277) |
| Federal government revenue | | 127,110 | 28,497 | | 155,607 | |
| Other revenues | 114 | | | | 114 | 2,186 |
| Other expenses | | (9) | | (11) | (20) | (134) |
| **Income (loss) before operating transfers** | (1,015,808) | 151,673 | 8,092 | 561,085 | (294,958) | 24,413 |
| Transfers-in | | 21,000 | 6,633 | 2,000 | 29,633 | |
| Transfers-out | (10,045) | (533) | (572) | (547,194) | (558,344) | |
| **Change in net assets** | (1,025,853) | 172,140 | 14,153 | 15,891 | (823,669) | 24,413 |
| Net assets, July 1, 2002, as restated | 1,457,122 | 1,309,678 | 128,470 | 45,649 | 2,940,919 | 143,926 |
| **NET ASSETS, JUNE 30, 2003** | $ 431,269 | $ 1,481,818 | $ 142,623 | $ 61,540 | $ 2,117,250 | $ 168,339 |

The accompanying notes to the financial statements are an integral part of this statement.

*State of Illinois*

# Statement of Cash Flows - Proprietary Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| | Major | | | | | |
| | Unemployment Compensation Trust Fund | Water Revolving Fund | Designated Account Purchase Program Fund | Non-major Proprietary Funds | Total | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | | |
| Cash received from sales and services | | | | $ 2,029,374 | $ 2,029,374 | $ 1,551,551 |
| Cash payments to suppliers for goods and services | | | $ (29,765) | (428,864) | (458,629) | (1,419,188) |
| Cash payments to employees for services | | $ (6,946) | (10,176) | (151,711) | (168,833) | (64,711) |
| Cash payments for lottery prizes | | | | (885,195) | (885,195) | |
| Cash receipts from other operating activities | $ 1,977,444 | 30,551 | 620,036 | 140,693 | 2,768,724 | 7,926 |
| Cash payments for other operating activities | (3,043,621) | (2,997) | (945,659) | (33,140) | (4,025,417) | (992) |
| Net cash provided (used) by operating activities | (1,066,177) | 20,608 | (365,564) | 671,157 | (739,976) | 74,586 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | | | |
| Proceeds from borrowing, net of bond issuance costs | | | 746,835 | | 746,835 | |
| Principal paid on revenue bonds and other borrowing | | (3,085) | (137,345) | (359) | (140,789) | |
| Interest paid on revenue bonds and other borrowing | | (5,153) | (57,537) | (9) | (62,699) | |
| Operating grants received | | 104,110 | 35,542 | | 139,652 | |
| Transfers-in from other funds | | 21,000 | 6,633 | 2,000 | 29,633 | |
| Transfers-out to other funds | (11,052) | (533) | (10,760) | (541,357) | (563,702) | |
| Other noncapital financing activities | 114 | (153,835) | | | (153,721) | |
| Net cash provided (used) by noncapital financing activities | (10,938) | (37,496) | 583,368 | (539,725) | (4,791) | |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | | |
| Acquisition and construction of capital assets | | (88) | (91) | (378) | (557) | (5,647) |
| Principal paid on capital debt | | | | (70) | (70) | (3,586) |
| Interest paid on capital debt | | | | | | (277) |
| Other capital and financing activities | | (9) | | | (9) | 293 |
| Net cash (used) by capital and related financing activities | | (97) | (91) | (448) | (636) | (9,217) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | |
| Purchase of investment securities | | | (1,109,500) | (166,002) | (1,275,502) | |
| Proceeds from sale and maturities of investment securities | 1,013,750 | 1,512 | 959,365 | 46,148 | 2,020,775 | |
| Interest and dividends on investments | 28,664 | 2,166 | 16,455 | 7,896 | 55,181 | 1,309 |
| Net cash provided (used) by investing activities | 1,042,414 | 3,678 | (133,680) | (111,958) | 800,454 | 1,309 |
| **Net increase (decrease) in cash and cash equivalents** | (34,701) | (13,307) | 84,033 | 19,026 | 55,051 | 66,678 |
| Cash and cash equivalents, July 1, 2002 | 43,056 | 319,550 | 92,977 | 118,395 | 573,978 | 152,076 |
| **CASH AND CASH EQUIVALENTS, JUNE 30, 2003** | $ 8,355 | $ 306,243 | $ 177,010 | $ 137,421 | $ 629,029 | $ 218,754 |
| **Reconciliation of cash and cash equivalents to the balance sheet:** | | | | | | |
| Total cash and cash equivalents per the balance sheet | $ 8,355 | $ 306,243 | $ 3,555 | $ 137,421 | $ 455,574 | $ 218,646 |
| Add: restricted cash equivalents | | | 173,455 | | 173,455 | 108 |
| **CASH AND CASH EQUIVALENTS, JUNE 30, 2003** | $ 8,355 | $ 306,243 | $ 177,010 | $ 137,421 | $ 629,029 | $ 218,754 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | | | | |
| **OPERATING INCOME (LOSS)** | $ (1,044,586) | $ 28,450 | $ (20,405) | $ 559,121 | $ (477,420) | $ 21,989 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Depreciation | | 93 | 31 | 1,140 | 1,264 | 13,073 |
| Provision for uncollectible accounts | 56,944 | | | 280 | 57,224 | (17) |
| Amortization | | | 11,931 | 22,007 | 33,938 | |
| Interest and investment income | | | (9,734) | (10,122) | (19,856) | |
| Interest expense | | | 56,720 | | 56,720 | |
| Changes in assets and liabilities: | | | | | | |
| (Increase) decrease in accounts receivable | (64,942) | (7,618) | (388,426) | (1,636) | (462,622) | (4,214) |
| (Increase) decrease in intergovernmental receivables | (342) | | | 136 | (206) | 333 |
| (Increase) decrease in due from other funds | (11,617) | | 2,572 | 639 | (8,406) | 43,872 |
| (Increase) decrease in due from component units | (10) | | | | (10) | 29,497 |
| (Increase) decrease in inventory | | | | 627 | 627 | 1,621 |
| (Increase) decrease in prepaid expenses | | | | 12 | 12 | 307 |
| (Increase) decrease in other assests | | | 270 | 5 | 275 | |
| Increase (decrease) in accounts payable and accrued liabilities | (2,818) | (136) | (4,255) | (8,470) | (15,679) | (37,091) |
| Increase (decrease) in intergovernmental payables | 1,194 | (137) | | | 1,057 | 79 |
| Increase (decrease) in due to other funds | | 59 | | (472) | (413) | 3,442 |
| Increase (decrease) in due to component units | | (5) | | | (5) | (10) |
| Increase (decrease) in deferred revenues | | | | 273 | 273 | 3,835 |
| Increase (decrease) in other liabilities | | (98) | | 107,614 | 107,516 | (2,130) |
| Other | | | (14,268) | 3 | (14,265) | |
| Total adjustments | (21,591) | (7,842) | (345,159) | 112,036 | (262,556) | 52,597 |
| **NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | $ (1,066,177) | $ 20,608 | $ (365,564) | $ 671,157 | $ (739,976) | $ 74,586 |
| **NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES** | | | | | | |
| Cost of capital assets acquisitions financed by capital leases | $ -- -- | $ -- -- | $ -- -- | $ 70 | $ 70 | $ 80 |
| Cost of installment purchases | $ -- -- | $ -- -- | $ -- -- | $ -- -- | $ -- -- | $ 2,986 |
| Transfer of assets from other state funds | $ -- -- | $ -- -- | $ -- -- | $ -- -- | $ -- -- | $ 1,895 |
| Increase (decrease) in fair value of investments | $ -- -- | $ -- -- | $ 7,137 | $ 4,783 | $ 11,920 | $ -- -- |

The accompanying notes to the financial statements are an integral part of this statement.

*State of Illinois*

# Statement of Fiduciary Net Assets
# Fiduciary Funds

**June 30, 2003 (Expressed in Thousands)**

| | Pension (and Other Employee Benefit) Trust Funds | Investment Trust Funds | Private Purpose Trust Fund | Agency Funds |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash equity with State Treasurer | $ 54,678 | $ 1,362 | $ 1,957 | $ 196,589 |
| Cash and cash equivalents | 398,175 | 263,335 | 168 | 31,228 |
| Investments: | | | | |
| Equities | 20,148,263 | 625,196 | 144 | |
| Fixed income | 11,339,115 | 1,171,658 | | |
| Real estate | 2,413,043 | | | |
| Other | 1,729,547 | | | |
| Equity in Illinois State Board of Investments | 7,801,021 | | | |
| Public Treasuer's Investment Pool | | 3,340,587 | | |
| Securities lending collateral | 3,364,835 | | | |
| Receivables, net: | | | | |
| Taxes | | | | 80,839 |
| Intergovernmental | | | | 365 |
| Members | 126,784 | | | |
| Employers | 20,819 | | | |
| Investment income | 618,296 | 1,793 | | |
| Other | 48,165 | | 7 | 205,622 |
| Due from other funds | 27,063 | | | 26,085 |
| Due from component units | 8,187 | | | 227 |
| Prepaid expenses | 2,213 | | | |
| Loans and notes receivable, net | | | 68 | |
| Other assets | | | | 1,316,848 |
| Capital assets not being depreciated | 1,670 | | | |
| Capital assets being depreciated, net | 16,243 | | | |
| **Total assets** | 48,118,117 | 5,403,931 | 2,344 | $ 1,857,803 |
| **LIABILITIES** | | | | |
| Accounts payable and accrued liabilities | 1,120,380 | 149 | 5 | $ 30,160 |
| Intergovernmental payables | | | | 281,339 |
| Due to other funds | 304 | 610 | | |
| Due to component units | | | | 2,040 |
| Depository and other liabilities | 4,243,234 | 2,245 | | 1,544,264 |
| Long term obligations: | | | | |
| Due within one year | 10,028 | | | |
| Due subsequent to one year | 11,547 | | | |
| **Total liabilities** | 5,385,493 | 3,004 | 5 | $ 1,857,803 |
| **NET ASSETS** | | | | |
| Net assets held in trust for: | | | | |
| Pension and other employee benefits | 42,732,624 | | | |
| Pool participants | | 5,400,927 | | |
| Other purposes | | | 2,339 | |
| **Total Net Assets** | $ 42,732,624 | $ 5,400,927 | $ 2,339 | |

The accompanying notes to the financial statements are an integral part of this statement.

*State of Illinois*

# Statement of Changes in Fiduciary Net Assets
# Fiduciary Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Pension (and Other Employee Benefit) Trust Funds | Investment Trust Funds | Private Purpose Trust Fund |
|---|---|---|---|
| **ADDITIONS** | | | |
| Deposits/Contributions: | | | |
| Employer | $ 514,447 | | |
| State | 1,199,356 | | |
| Members/participants | 1,471,568 | 5,370,820 | |
| Other contributions | 54,757 | | $ 7 |
| Total contributions | 3,240,128 | 5,370,820 | 7 |
| Investment income: | | | |
| Interest and other investment income | 1,171,108 | 152,880 | 41 |
| Net appreciation of investments | 362,867 | 91,304 | |
| Investment expense | (148,346) | (4,499) | |
| Net investment income | 1,385,629 | 239,685 | 41 |
| **Total additions** | 4,625,757 | 5,610,505 | 48 |
| **DEDUCTIONS** | | | |
| Benefit payments and refunds | 3,884,357 | | |
| Participants' withdrawals | 104,395 | 5,360,763 | |
| Distribution to pool investors | | 62,583 | |
| Interest expense | 1,282 | | |
| Depreciation | 2,519 | | |
| General and administration | 33,582 | 1,325 | 11 |
| Other | 192 | | 79 |
| **Total deductions** | 4,026,327 | 5,424,671 | 90 |
| **Net additions (deductions)** | 599,430 | 185,834 | (42) |
| **Net Assets, July 1, 2002** | 42,133,194 | 5,215,093 | 2,381 |
| **Net Assets, June 30, 2003** | $ 42,732,624 | $ 5,400,927 | $ 2,339 |

The accompanying notes to the financial statements are an integral part of this statement.

**This Page Intentionally Left Blank**

*State of Illinois*

# Statement of Net Assets
# Component Units
**June 30, 2003 (Expressed in Thousands)**

| | Illinois Housing Development Authority | Toll Highway Authority | Other Authorities | Illinois State University | Northern Illinois University | Southern Illinois University |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash equity with State Treasurer | $ 36,081 | $ 304,230 | $ 21,698 | | | |
| Cash and cash equivalents | 35,596 | 51,114 | 89,499 | $ 42,227 | $ 29,367 | $ 44,843 |
| Investments | 122,984 | | 55,877 | 40,113 | 59,424 | 215,783 |
| Receivables, net: | | | | | | |
| Intergovernmental | 426 | | | | | |
| Other | 15,984 | 7,828 | 3,001 | 11,798 | 13,101 | 37,027 |
| Due from component units | | | | 81 | 2,033 | 9,460 |
| Due from primary government | | | 444 | 12,404 | 2,273 | 17,889 |
| Inventories | | | 15 | 2,516 | 3,449 | 6,601 |
| Prepaid expenses | | 3,468 | 202 | 202 | | 9,145 |
| Unamortized bond issuance costs | 23,059 | 3,132 | 1,041 | 778 | 3,137 | 3,109 |
| Loans and notes receivable, net | 1,614,271 | | 81,411 | 9,683 | 9,073 | 18,564 |
| Restricted assets: | | | | | | |
| Cash and cash equivalents | | 103,347 | 5,037 | 1,568 | | |
| Investments | 733,083 | 58,391 | 28,481 | 28,616 | | |
| Other receivables, net | | 5,813 | 5,385 | | | |
| Inventory | | | | | | |
| Loans and notes receivable, net | | | 10,341 | | | |
| Other assets | | 580 | | | | |
| Other assets | 41,389 | 34,815 | 191 | 1,590 | 657 | |
| Capital assets not being depreciated | | 385,894 | 26,410 | 28,355 | 60,162 | 120,551 |
| Capital assets being depreciated, net | 703 | 1,478,443 | 7,078 | 190,648 | 273,020 | 300,573 |
| **Total assets** | 2,623,576 | 2,437,055 | 336,111 | 370,579 | 455,696 | 783,545 |
| **LIABILITIES** | | | | | | |
| Accounts payable and accrued liabilities | 84,990 | 57,241 | 13,508 | 9,653 | 18,915 | 25,854 |
| Intergovernmental payables | | | 1 | | | |
| Due to component units | | | | 19 | 2,242 | 9,318 |
| Due to primary government | 6 | | 4,025 | 154 | 281 | 2,847 |
| Deferred revenue | | 57,432 | 6,711 | 4,901 | 6,931 | 51,455 |
| Liabilities payable from restricted assets | | 51,617 | 60 | | | |
| Other liabilities | | | | 7,534 | 605 | 1,069 |
| Long-term obligations: | | | | | | |
| Due within one year | 290,780 | 52,495 | 48,075 | 7,170 | 10,050 | 19,818 |
| Due subsequent to one year | 1,642,550 | 747,420 | 80,124 | 72,702 | 179,552 | 234,982 |
| **Total liabilities** | 2,018,326 | 966,205 | 152,504 | 102,133 | 218,576 | 345,343 |
| **NET ASSETS** | | | | | | |
| Invested in capital assets, net of related debt | 703 | 1,076,103 | 33,453 | 166,432 | 175,779 | 271,496 |
| Restricted for: | | | | | | |
| Capital projects | | | | 17,908 | | |
| Debt service | | | | 675 | | 31,015 |
| Nonexpendable purposes | | | 65 | 28,526 | 20,055 | 53,139 |
| Other expendable purposes | | | | 23,350 | 11,193 | 42,987 |
| Other purposes | 294,616 | 111,753 | 70,890 | | | |
| Unrestricted | 309,931 | 282,994 | 79,199 | 31,555 | 30,093 | 39,565 |
| **Total net assets** | $ 605,250 | $ 1,470,850 | $ 183,607 | $ 268,446 | $ 237,120 | $ 438,202 |

The accompanying notes to the financial statements are an integral part of this statement.

| University of Illinois | Other Universities | Total |
|---|---|---|
| | | $ 362,009 |
| $ 262,732 | $ 79,910 | 635,288 |
| 681,215 | 33,783 | 1,209,179 |
| | | |
| | 3,803 | 4,229 |
| 264,388 | 18,164 | 371,291 |
| 5,593 | 63 | 17,230 |
| 57,886 | 7,260 | 98,156 |
| 23,779 | 5,363 | 41,723 |
| 24,232 | 477 | 37,726 |
| 5,216 | 606 | 40,078 |
| 58,518 | 13,597 | 1,805,117 |
| | | |
| 75,400 | 19,685 | 205,037 |
| 761,227 | 41,335 | 1,651,133 |
| | 1,026 | 12,224 |
| | 48 | 48 |
| | | 10,341 |
| | 452 | 1,032 |
| 15,365 | 649 | 94,656 |
| 351,076 | 62,192 | 1,034,640 |
| 2,204,908 | 407,703 | 4,863,076 |
| 4,791,535 | 696,116 | 12,494,213 |
| | | |
| | | |
| 256,116 | 36,437 | 502,714 |
| | 3,475 | 3,476 |
| 5,544 | 107 | 17,230 |
| 24,426 | 3,185 | 34,924 |
| 107,991 | 10,946 | 246,367 |
| 14,476 | 16,104 | 82,257 |
| 44,822 | 4,870 | 58,900 |
| | | |
| 78,830 | 19,804 | 527,022 |
| 1,348,994 | 200,604 | 4,506,928 |
| 1,881,199 | 295,532 | 5,979,818 |
| | | |
| | | |
| 1,633,583 | 328,610 | 3,686,159 |
| | | |
| | 6,838 | 24,746 |
| 23,550 | 8,804 | 64,044 |
| 495,160 | 18,953 | 615,898 |
| 562,463 | 44,845 | 684,838 |
| | | 477,259 |
| 195,580 | (7,466) | 961,451 |
| $ 2,910,336 | $ 400,584 | $ 6,514,395 |

*State of Illinois*

# Statement of Activities
# Component Units

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| Functions/Programs | Expenses | Program revenues: Charges for service | Program revenues: Operating grants and contributions | Program revenues: Capital grants and contributions | Net (expense) revenue |
|---|---|---|---|---|---|
| **Authorities:** | | | | | |
| Illinois Housing Development Authority | $ 308,436 | $ 134,936 | $ 177,180 | | $ 3,680 |
| Toll Highway Authority | 357,136 | 372,046 | | | 14,910 |
| Other authorities | 135,188 | 84,225 | 4,382 | | (46,581) |
| **Universities:** | | | | | |
| Illinois State University | 312,382 | 157,001 | 25,881 | $ 467 | (129,033) |
| Northern Illinois University | 378,878 | 171,046 | 56,162 | 1,555 | (150,115) |
| Southern Illinois University | 735,457 | 304,084 | 81,993 | 12,832 | (336,548) |
| University of Illinois | 3,325,936 | 1,280,912 | 860,228 | 17,329 | (1,167,467) |
| Other universities | 610,354 | 228,680 | 94,844 | 36 | (286,794) |
| Total | $ 6,163,767 | $ 2,732,930 | $ 1,300,670 | $ 32,219 | $ (2,097,948) |

The accompanying notes to the financial statements are an integral part of this statement.

| General revenues | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| State appropriations | Interest and investment income | Other | Additions to permanent endowments | Change in net assets | Net assets, July 1, 2002, as restated | Cumulative effect of a change in accounting principle | Net assets, June 30, 2003 |
| | $ 2,600 | $ 35,678 | | $ 41,958 | $ 563,292 | | $ 605,250 |
| | 13,921 | | | 28,831 | 1,442,019 | | 1,470,850 |
| $ 7,874 | 3,042 | 23,010 | | (12,655) | 196,262 | | 183,607 |
| 131,945 | 2,096 | 14,136 | 3,931 | 23,075 | 257,755 | $ (12,384) | 268,446 |
| 159,136 | 1,873 | 827 | | 11,721 | 225,399 | | 237,120 |
| 342,511 | 14,133 | 45,021 | 1,802 | 66,919 | 372,212 | (929) | 438,202 |
| 1,101,498 | 56,558 | 148,182 | 24,346 | 163,117 | 2,747,219 | | 2,910,336 |
| 323,921 | 3,842 | 3,886 | 1,704 | 46,559 | 354,025 | | 400,584 |
| $ 2,066,885 | $ 98,065 | $ 270,740 | $ 31,783 | $ 369,525 | $ 6,158,183 | $ (13,313) | $ 6,514,395 |

## *Index of Notes to the Financial Statements*


| | | |
|---|---|---|
| **Note 1** | **Summary of Significant Accounting Policies** | **37** |
| **Note 2** | **Restatement** | **50** |
| **Note 3** | **Deposits and Investments** | **52** |
| **Note 4** | **Taxes Receivable** | **61** |
| **Note 5** | **Interfund Balances and Activity** | **62** |
| **Note 6** | **Loans and Notes Receivable** | **64** |
| **Note 7** | **Capital Assets** | **66** |
| **Note 8** | **Changes in Long-Term Obligations** | **68** |
| **Note 9** | **General Obligation Bonds** | **70** |
| **Note 10** | **Special Obligation Bonds** | **71** |
| **Note 11** | **Revenue Bonds** | **73** |
| **Note 12** | **Notes/General Obligation Certificates Payable** | **79** |
| **Note 13** | **Other Long-Term Obligations** | **81** |
| **Note 14** | **Refundings of Long-Term Obligations** | **87** |
| **Note 15** | **Retirement Systems** | **89** |
| **Note 16** | **Post-Employment Benefits** | **92** |
| **Note 17** | **Fund Deficits** | **92** |
| **Note 18** | **Risk Management** | **94** |
| **Note 19** | **Commitments and Contingencies** | **95** |
| **Note 20** | **Segment Information** | **101** |
| **Note 21** | **Subsequent Events** | **104** |

# *STATE OF ILLINOIS*
## Notes to the Financial Statements
## June 30, 2003

## *1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

### *A. Basis of Presentation*

The accompanying financial statements of the State of Illinois have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as prescribed in pronouncements of the Governmental Accounting Standards Board ("GASB").

### *B. Financial Reporting Entity*

The State of Illinois is a "primary government" whose financial statements consist of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The financial statements include all funds, elected offices, departments and agencies as well as boards, commissions, authorities and universities for which the State's elected officials are financially accountable. Financial accountability exists when the State's governing body appoints a majority of an organization's governing board and (1) the State can impose its will upon the organization or (2) there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on the State.

The State's governing body consists of the legislative, executive and judicial branches of government. The legislative function is controlled by an elected General Assembly composed of a 59-member Senate and a 118-member House of Representatives. The executive branch consists of the Governor (the chief executive of the State), the Lieutenant Governor, the Attorney General, the Secretary of State, the Comptroller and the Treasurer. The judicial branch is composed of a seven-member Supreme Court, five Appellate court districts and twenty-two Circuit Court judicial districts including Cook County.

The financial statements distinguish between the "primary government" and its "component units." The State's participation in a joint venture, related organizations and jointly governed organizations is separately disclosed below. The primary government, which consists of organizations that make up the State's legal entity, is the nucleus of the State's reporting entity. Component units are legally separate organizations for which the State is financially accountable. Complete financial statements of the individual component units can be obtained from the respective component unit's administrative offices (as listed in parentheses below).

**Blended Component Units**

The following component units are reported, as exclusion would be misleading to the State's financial statements, as though they are a part of the primary government using the blending method since they provide services primarily to benefit the State:

1. *IMSA Fund for Advancement of Education ("IMSA Fund"):* The IMSA Fund was established for the purpose of benefiting, performing the function of and carrying out certain charitable, educational, literary and scientific purposes of the Illinois Mathematics and Science Academy, a primary government agency. (Administrative Offices: 1500 West Sullivan Road, Aurora, Illinois 60506-1000).

2. *Office of the Special Deputy Receiver ("OSD"*): The OSD acts as agent for the State of Illinois in supervising the conservation, rehabilitation or liquidation of insurance companies. The OSD reports on a December 31 year-end. (Administrative Office: 222 Merchandise Mart Plaza, Suite 1450, Chicago, Illinois 60654).

**Discretely Presented Component Units**

Discretely presented component units are reported in separate columns to emphasize that they are legally separate from the State. The discretely presented component units presented below have governing bodies appointed by the governing board of the State.

1. *Illinois Housing Development Authority ("IHDA").* The IHDA issues notes and bonds to make loans for the acquisition, construction and rehabilitation of housing and to encourage home ownership. The State approves bonds and notes issued by the IHDA and is secondarily liable for its debt if there are not sufficient IHDA monies to pay principal and interest. (Administrative Offices: 401 North Michigan Avenue, Suite 900, Chicago, Illinois 60611).

2. *Illinois State Toll Highway Authority ("THA").* The THA operates a toll highway system to promote the public welfare and to facilitate vehicular traffic by providing convenient, safe, modern and limited access highways within Illinois. The State substantially approves the THA's budget. The THA reports on a December 31 year-end. (Administrative Offices: 2700 Ogden Avenue, Downers Grove, Illinois 60515). The THA has no amounts reported as due from or to the primary government or other component units at December 31, 2002. At June 30, 2003, THA would report a due to the primary government (in thousands) of $2,076 and a due from the primary government of $9.

3. *Illinois Literacy Foundation ("Foundation").* The Foundation promotes literacy among the residents of the State of Illinois by supporting literacy programs and enhancing Statewide literacy awareness. The State has the ability to appoint, hire, reassign and dismiss those persons responsible for the day-to-day operations of the Foundation. (Administrative Offices: 431 South 4th, 1st Floor, Springfield, Illinois 62756).

4. *Community Development Finance Corporation ("Corporation").* The Corporation assists various community development corporations to promote economic redevelopment in designated areas within the State of Illinois. The State has the ability to hire, reassign and dismiss those persons responsible for the day-to-day operations of the Corporation. (Administrative Offices: 300 West Jefferson, Springfield, Illinois 62702).

5. *Illinois Grain Insurance Corporation ("Corporation"*). The Corporation was created for the purpose of improving the economic stability of agriculture in the State of Illinois by establishing a fund to pay grain producers and other claimants for losses incurred by the failure of a grain dealer or warehouseman. The State has the ability to remove appointed members of the Corporation's governing board at will. (Administrative Offices: State Fairgrounds, Springfield, Illinois 62794).

6. *Illinois Conservation Foundation ("Foundation").* The Foundation was created to promote, support, assist, sustain and encourage the charitable, educational, scientific and recreational programs, projects and policies of the Illinois Department of Natural Resources. The State has the ability to appoint, hire, reassign and dismiss those persons responsible for the day-to-day operations of the Foundation. (Administrative Offices: Natural Resources Road, Springfield, Illinois 62701-1787).

7. *Comprehensive Health Insurance Plan ("CHIP") Board*. The CHIP provides an alternate market for health insurance for eligible Illinois residents having a pre-existing health condition. The State substantially approves the CHIP's budget. (Administrative Offices: 400 West Monroe Street, Suite 202, Springfield, Illinois 62704).

8. *East St. Louis Financial Advisory Authority ("Authority").* The Authority was created to provide a secure financial basis for and to furnish assistance to the city of East St. Louis. The State funds certain programs of the Authority. (Administrative Offices: 10 Collinsville Avenue, East St. Louis, Illinois 62201).

9. *Illinois Farm Development Authority ("Authority").* The Authority develops various programs designed to maintain and promote the agricultural economy of the State of Illinois. The State is secondarily liable for payment of principal and interest on debt issued by the Authority. (Administrative Offices: 427 East Monroe, Suite 201, Springfield, Illinois 62701).

10. *Illinois Development Finance Authority ("IDFA").* The IDFA provides funding for industrial, commercial and manufacturing development in areas of Illinois with critical unemployment. The State funds certain programs of the IDFA. (Administrative Offices: 233 South Wacker Drive, Suite 4000, Chicago, Illinois 60606).

11. *Illinois Rural Bond Bank ("Bond Bank").* The Bond Bank provides assistance to rural governmental units by providing adequate capital markets and facilities for borrowing money and financing public improvements at low interest rates. The State is secondarily liable for payment of principal and interest on debt issued by the Bond Bank. Excess reserves of the Bond Bank must be returned to the State's General Fund. (Administrative Offices: 427 East Monroe Street, Suite 202, Springfield, Illinois 62701).

12. *Illinois Medical District Commission ("Commission").* The Commission was created to maintain and expand a designated "medical district." The State substantially approves the Commission's budget. (Administrative Offices: 600 South Hoyne, Chicago, Illinois 60612).

13. *Quad Cities Regional Economic Development Authority ("Authority").* The Authority promotes economic development within the counties of Rock Island, Henry and Mercer in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 2508 Dickens Drive, Springfield, Illinois 62707).

14. *Southwestern Illinois Development Authority ("Authority").* The Authority promotes economic development within the counties of St. Clair and Madison in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 1022 Eastport Plaza, Collinsville, Illinois 62234).

15. *Upper Illinois River Valley Development Authority ("Authority").* The Authority promotes economic development within the counties of Grundy, LaSalle, Bureau, Putnam, Kendall, Kane, McHenry and Marshall in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 2508 Dickens Drive, Springfield, Illinois 62707).

16. *Boards of Trustees of Chicago State University ("CSU"), Eastern Illinois University ("EIU"), Governors State University ("GSU"), Northeastern Illinois University ("NEIU"), Northern Illinois University ("NIU"), Western Illinois University ("WIU"), Illinois State University ("ISU"), Southern Illinois University ("SIU") and University of Illinois ("U of I") ("boards").* The boards of the respective universities operate, manage, control and maintain the schools. The State provides significant financial support to the boards of the universities. Certain universities have donor restricted endowments that are restricted as to spending by the donor which are detailed in their separately issued financial statements. The Uniform Management of Institutional Funds Act permits the boards to spend net appreciation of endowments as they determine to be prudent. (Administrative Offices:

    - CSU, 9501 South King Drive, Chicago, Illinois 60628
    - EIU, 113 West Old Main, Charleston, Illinois 61920
    - GSU, Route 54 & Stuenkel Road, University Park, Illinois 60466
    - NEIU, 5500 North St. Louis Avenue, Chicago, Illinois 60625
    - NIU, 104 Altgeld Hall, DeKalb, Illinois 60115
    - WIU, 1 University Circle, Macomb, Illinois 61455
    - ISU, Campus Box 1200, Normal, Illinois 61790-1200
    - SIU, Colyer Hall, Carbondale, Illinois 61801
    - U of I, 346 Administration Building, 506 South Wright, Urbana, Illinois 61801).

The following component unit must obtain the State's approval for debt issuances:

1. *Will-Kankakee Regional Development Authority ("Authority").* The Authority promotes economic development within the counties of Will and Kankakee in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 2508 Dickens Drive, Springfield, Illinois 62707).

Excluding the following component units from the State's financial statements would be misleading and therefore the component units are included because of the nature of the component units' relationship with the State:

1. *Illinois Health Facilities Authority ("Authority").* The Authority provides assistance and alternative methods of financing private and public institutions, which are consistent with the orderly and economic development of health facilities and services. (Administrative Offices: 180 North Stetson, Suite 1100, Chicago, Illinois 60601).

2. *Illinois Educational Facilities Authority ("Authority").* The Authority provides tax-exempt financing for the acquisition or construction of educational facilities and education loans for private institutions of higher education, certain related not-for-profit academic institutions, private cultural institutions and education loan corporations within the State of Illinois. (Administrative Offices: 105 West Orchard Street, Itasca, Illinois 60143).

**Joint Venture**

The State is a participant with the states of Michigan, Minnesota, New York, Ohio, Pennsylvania and Wisconsin in the Great Lakes Protection Fund ("Fund"), an Illinois not-for-profit corporation. The Fund is the nation's first multi-state environmental endowment and was established in 1989 for furthering Federal and State commitments to programs that restore and maintain the Great Lakes' water quality. This

purpose is achieved by providing grant money for projects that promote the objectives of the regional Great Lakes Toxic Substance Control Agreement and the binational Great Lakes Water Quality Agreement.

A state becomes a member of the Fund by agreeing to contribute an amount set forth in the Articles of Incorporation. The required contribution from all member states at incorporation was $81 million. The Fund's net assets on December 31, 2002 were $95 million.

Once a state agrees to make the required contribution, that state's governor becomes a "member" of the Fund. Each member is entitled to appoint two individuals to the board of directors. Budgetary and financial decisions rest with the board of directors except where restricted by the Articles of Incorporation. Two-thirds of the Fund's income is used to finance projects compatible with the organization's objectives as set forth in the Articles of Incorporation. The remaining one-third of income is paid to member states in proportion to the amount and period of time that each state's contribution was invested with the Fund ("state shares"). Illinois did not receive a State share contribution for 2002 as the Fund incurred investment losses. The affirmative vote of all of the members is required for all actions of the Fund. Complete financial statements of the Fund can be obtained from the Fund's Administrative Offices at 1560 Sherman Avenue, Suite 880, Evanston, Illinois 60201.

**Related Organizations**

The State's officials are also responsible for appointing the majority of the boards of other organizations, but the State's accountability does not go beyond making the appointments. The State, generally the Governor, in certain instances with the advice and consent of the Senate, appoints the members of the following boards:

- Central Midwest Interstate Low-Level Radioactive Waste Commission
- Havana Regional Port District
- Kaskaskia Regional Port District
- Mt. Carmel Regional Port District
- Shawneetown Regional Port District
- Southwest Regional Port District
- Tri-City Regional Port District
- Waukegan Port District
- White County Regional Port District
- Illinois Community College System Foundation

The State maintains accounting records for the Central Midwest Interstate Low-Level Radioactive Waste Commission. This is the only related party activity that the State has with the above organizations.

**Jointly Governed Organizations**

The State's officials, in conjunction with various other state and local government officials, are members of the boards of other organizations. However, the State has no ongoing financial interest or responsibility except the role of a participant in the various organizations' purpose and, in certain instances, pays annual dues or assessments. The Governor, sometimes with the advice and consent of the Senate, appoints the number of board members (as indicated in parentheses below) of the following organizations:

- Bi-State Development Agency of the Missouri/Illinois Metropolitan District (5 of 10)
- Education Commission of the States (7 of approximately 350)
- Illinois Valley Regional Port District (2 of 5)
- Interstate Mining Commission (1 of 17)
- Jackson/Union Counties Regional Port District (4 of 23)
- Joliet Regional Port District (3 of 7)
- Lawyers Trust Fund (3 of 9)
- Midwestern Higher Education Commission (5 of 60)
- Northeastern Illinois Planning Commission (5 of 34)
- Ohio River Valley Water Sanitation Commission (3 of 24)
- Southwestern Illinois Metropolitan & Regional Planning Commission (8 appointed)
- Wabash Valley Interstate Commission (7 of 14)

The State has no significant related-party activities with the above organizations.

## *C. Basis of Presentation*

**Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the primary government (the State) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the State and between the State and its discretely presented component units. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Assets presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

- **Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

- **Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through enabling legislation.

- **Unrestricted net assets** consist of net assets, which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. They often have resources that are imposed by management, but can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the State and for each function of the State's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements**

The fund financial statements provide information about the State's funds, including fiduciary funds and blended component units. Separate statements for each fund category-governmental, proprietary, and fiduciary-are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, generally result from nonexchange transactions or ancillary activities.

The State reports the following major governmental funds:

**General** – This is the State's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. These services include, among others, employment and economic development, education (other than institutions of higher

education), and health and social services. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements. The State's General Fund contains four primary sub-accounts (General Revenue, Education Assistance, Common School and Medicaid Provider Assessment Program) with numerous secondary sub-accounts.

**Road** – This fund accounts for the activities of the State highway programs including highway maintenance and construction, traffic control and safety and administering motor vehicle laws and regulations. Funding sources include federal aid, State motor fuel taxes and various license and fee charges.

**Motor Fuel Tax** – This fund accounts for the activities of various transportation related program expenditures and the administrative cost of supervising the use of funds apportioned to municipalities, counties and road districts. Funding sources include State motor fuel taxes and an allocation (transfer) of State sales tax collections from the General Fund.

**State Construction Account** – This fund accounts for the construction, reconstruction and maintenance of the State maintained highway system. Funding sources include a portion of motor vehicle registration fees, weight taxes and transfers from the Motor Fuel Tax Fund.

**Pension Contribution** – This fund accounts for bond proceeds issued to fund or reimburse a portion of the State's obligation to make contributions to its five public employee retirement systems.

The State reports the following major proprietary funds:

**Unemployment Compensation Trust** – This fund accounts for the activities of the unemployment insurance program including employer contributions, Federal Unemployment Trust advances and benefit claims.

**Water Revolving** – This fund accounts for the activities of a revolving loan program for local government drinking water and sewage treatment infrastructure. Certain loans receivable in the fund are restricted due to revenue bond covenants.

**Designated Account Purchase Program** – This fund accounts for the activities of the Designated Account Purchase Program including issuance of bonds and acquisition of student loans from lenders. Certain assets in the fund are restricted due to revenue bond covenants.

Additionally, the State reports the following fund types:

**Governmental Fund Types**:

**Special Revenue** – These funds account for resources obtained from specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenues funds account for, among other things, federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

**Debt Service** – These funds account for governmental resources obtained and accumulated to pay interest and principal on general long-term debt (other than capital leases, workers' compensation and unfunded retirement costs).

**Capital Projects** – These funds account for resources obtained and used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general and special obligation bond issues and certificates of participation.

**Permanent Trust** – This fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizens.

**Proprietary Fund Types:**

**Enterprise** – These funds account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Internal Service** – These funds account for data processing, printing, fleet management, telecommunications and medical and dental benefits for State employees provided to agencies of the State on a reimbursement basis.

**Fiduciary Fund Types:**

**Pension (and Other Employee Benefit) Trust** – These funds account for resources that are required to be held in trust for the members and beneficiaries of the State's five Public Employee Retirement Systems (PERS) and the Deferred Compensation Plan Fund.

**Investment Trust** – These funds account for the external portion of investment pools sponsored by the State including the Public Treasurer's Investment Pool and the Deferred Lottery Prize Winners Trust Fund.

**Private Purpose Trust** – This fund accounts for resources legally held in trust for use by individuals, private organizations and other governments. There is no requirement that any portion of these resources be preserved as capital.

**Agency** – These funds account for the various taxes, deposits, deductions and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

**Component Units**

The component statements provide aggregate information about the State's discretely presented component units, emphasizing major component units. The State's major component units are Illinois State University, Northern Illinois University, Southern Illinois University and the University of Illinois.

## *D. Measurement Focus and Basis of Accounting*

**Government-wide, Proprietary Fund, Fiduciary Fund and Component Unit Financial Statements**

The government-wide, proprietary fund, fiduciary fund and component unit financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the State gives (or receives) value without directly receiving (or giving) equal value in exchange, include income taxes, excise taxes, wealth taxes, grants, entitlements and donations. On an accrual basis, revenues from self assessed taxes, principally income, excise and wealth taxes, are recognized in the fiscal year in which the underlying exchange transaction occurs. Revenue from grants, entitlements and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

**Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-

term debt and acquisitions under capital leases are reported as other financing sources.

Significant revenue sources which are susceptible to accrual include individual and corporate income taxes, sales taxes, public utility taxes, motor fuel taxes and interest. All other revenue sources including fines, penalties, licenses and other miscellaneous revenues are considered to be measurable and available only when cash is received.

**Private-Sector Standards**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The State also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The State generally has elected not to follow subsequent private-sector guidance.

The following major agencies, departments or component units, however, have elected to apply all applicable private-sector standards (i.e. statements and interpretations of the Financial Accounting Standards Board):

- Illinois Student Assistance Commission
- Comprehensive Health Insurance Plan Board
- Illinois Farm Development Authority

## *E. Eliminations*

Eliminations have been made in the government-wide statement of net assets to minimize the "grossing-up" effect on assets and liabilities within the governmental and business-type activities columns of the primary government. As a result, amounts reported in the funds as interfund receivables and payables have been eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Amounts reported in the funds as receivable from or payable to fiduciary funds have been included in the statement of net assets as receivable from and payable to external parties, rather than as internal balances.

Eliminations have been made in the statement of activities to remove the "doubling-up" effect of internal service fund activity. The effect of similar internal events that are, in effect, allocations of overhead expenses from one function to another or within the same function also have been eliminated, so that the allocated expenses are reported only by the function to which they were allocated.

## *F. Cash Equivalents*

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with original maturities of three months or less. Cash equivalents consist principally of certificates of deposit, repurchase agreements and U.S. treasury bills and are stated at cost.

## *G. Investments*

Investments are reported at fair value. Generally, the State's pension systems' marketable securities are valued at closing prices listed on national securities exchanges and quotes from independent pricing services as of June 30. Real estate and venture capital are valued based upon appraisals and discounted cash flow analysis.

The Illinois Funds operates as a 2a7-like pool and thus reports all investments at amortized cost rather than market value. The fair value of the pool is the same as the value of the pool shares. The Treasurer's investment policies are governed by State statute. In addition, the Treasurer's Office has adopted its own investment practices that supplement the statutory requirement. The Treasurer's Office issues a separate financial report for The Illinois Funds. It may be obtained by contacting the Administrative Office at Jefferson Terrace, 300 West Jefferson Street, Second Level, Springfield, Illinois 62702.

Investment income is recorded as revenue in the General Fund, except for resources of retirement systems and certain other individual funds that are statutorily authorized to be separately invested and specifically credited with the income realized thereon. The State's financial

statements contain certain investments that meet the definition of "derivatives." Derivative investments included in the pension trust funds are described in more detail in Note 3.

### *H. Inventories*

For governmental funds, the State recognizes the costs of material inventories as expenditures when purchased. At year-end, physical counts are taken of significant inventories for the governmental fund types and are generally reported on the balance sheet at moving-average cost. Inventories reported in the governmental funds do not reflect current appropriable resources, and therefore, the State reserves an equivalent portion of fund balance.

### *I. Interfund Transactions*

The State has the following types of interfund transactions:

**Services provided and used** - sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts at year-end are reported as interfund receivables and payables in the fund balance sheets or fund statements of net assets.

**Reimbursements** - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers** - flows of assets (such as cash or goods) between funds without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

### *J. Capital Assets*

Capital assets, which includes property, plant, equipment and infrastructure, are reported at cost or estimated historical cost based on appraisals or deflated current replacement costs. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds of the primary government generally are as follows:

| Capital Asset Category | Estimated Useful Lives (In Years) |
|---|---|
| Infrastructure | 5-50 |
| Land | N/A |
| Land Improvements | N/A |
| Site Improvements | 3-50 |
| Buildings | 10-60 |
| Building Improvements | 10-45 |
| Equipment | 3-25 |
| Works of Art and Historical Treasures | 5-7 |

Certain component units, however, may have adopted different capitalization thresholds. These thresholds can be obtained from their separately issued financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as project costs are incurred. Interest incurred during the construction phase of capital assets used in business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Capital Asset Category | Capitalization Threshold |
|---|---|
| Infrastructure | $ 250,000 |
| Land | $ 100,000 |
| Land Improvements | $ 25,000 |
| Site Improvements | $ 25,000 |
| Buildings | $ 100,000 |
| Building Improvements | $ 25,000 |
| Equipment | $ 5,000 |
| Works of Art and Historical Treasures | $ 5,000 |

The State and the University of Illinois, a component unit, do not capitalize certain collections of works of art or historical treasures held for public exhibition, education, or research in furtherance of public service rather than capital gain. Proceeds from the sale, exchange, or other disposal of any item belonging to non-capitalized collections of works of art or historical treasures for the State and the University of Illinois must be applied to the acquisition of additional items for the same collection.

### *K. Retirement Costs*

Substantially all State employees, including members of the General Assembly and Judicial Branch, participate in one of three State public employee retirement systems (see Note 15). The State also maintains and funds public employee retirement systems for employees of the various State supported universities and for public school teachers in cities other than Chicago. It is the State's policy to fund retirement costs without regard to amounts calculated under the actuarial requirements. Based on actuarial consultations, the State's contributions have been less than the retirement benefits paid during the year for the last twenty-two fiscal years. Prior to fiscal year 1982, the State had funded the retirement costs at a level at least as great as the retirement benefits paid during the year.

Annual pension cost (APC) is recorded as an expense in the government-wide statement of activities and is comprised of the employer's (State's) annual required contribution (ARC), which equals normal cost plus interest on unfunded prior service costs and amortization of prior service cost over forty years, one year's interest on the net pension obligation and an adjustment to the ARC to offset the effect of actuarial amortization of past under or over contributions.

### *L. Capital Appreciation ("deep-discount") Bonds*

Capital appreciation bonds are those bonds that are issued at stated interest rates significantly below their effective interest rate, resulting in a substantial discount. The implicit interest (i.e., discount) is not paid until the bonds mature. Therefore, the net value of the bonds "accrete" (i.e., the discount is reduced) over the life of the bonds. Capital appreciation bonds are reported in the government-wide statement of net assets at their accreted value.

### *M. Compensated Absences*

The liability for compensated absences reported in the government-wide, proprietary and fiduciary fund financial statements consists of unpaid, accumulated vacation and sick leave balances. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments are included. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., social security and Medicare tax).

Legislation that became effective January 1, 1998 capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997.

Sick days earned between 1984 and December 31, 1997 (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997 will be converted to service time for purposes of calculating employee pension benefits.

Component unit financial statements also include a liability for compensated absences. However, they may have adopted different compensated absences policies. These policies can be obtained from their separately issued financial statements.

### *N. Bond Premiums, Discounts, and Issuance Costs*

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred

and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### *O. Advance Refundings of Debt*

In the government-wide and proprietary fund financial statements, gains and losses from advance refundings of debt resulting in defeasance are deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method. Bonds payable are reported net of these deferred gains and losses.

### *P. Net Assets/Fund Balances*

The difference between fund assets and liabilities is "Net Assets" on governmental-wide, proprietary and fiduciary fund financial statements, and "Fund Balance" on governmental fund financial statements.

Fund balances of governmental funds that are legally restricted to a specific future use or that are not available for appropriation or expenditure are reported as reservations of fund balance.

When both unrestricted and restricted net assets or unreserved and reserved fund balances are available for use, the State uses restricted net assets or reserved fund balances first.

### *Q. Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *R. New Accounting Pronouncements*

Effective July 1, 2002, the State adopted the provisions of GASB Statement No. 41, *Budgetary Comparison Schedules-Perspective Differences*. This Statement amends GASB Statement No. 34 by providing clarification of budgetary presentation requirements for governments with significant budgetary perspective differences. There was no significant impact on the State's financial statements as a result of adopting this statement.

Effective July 1, 2002, the State adopted the provisions of GASB Technical Bulletin No. 2003-1, *Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets*. This Technical Bulletin supersedes GASB Technical Bulletin No. 94-1 and clarifies guidance on derivative disclosures.

### *S. Future Adoption of GASB Statement*

Effective for the year ending June 30, 2004, the State will adopt GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, which amends GASB Statement No. 14 by providing additional guidance in determining whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. The State has not yet determined the impact of the statement adoption on the financial statements.

This Page Left Intentionally Blank

# 2 RESTATEMENT

The financial statements have been restated as of July 1, 2002 for the following prior year reporting errors:

- Understatement of estimated tax revenues $224.7 million in the General Revenue Account, a sub-account of the General Fund, $15.0 million in the Long-Term Care Provider Account, a sub-account of the General Fund, $1.1 million in the Motor Fuel Tax Fund, a major governmental fund, and $40.3 million in the Personal Property Tax Replacement Fund, a non-major governmental fund;
- Overstatement of federal government revenues of $63.0 million in the County Hospital Services Account, a sub-account of the General Fund, which did not meet the State's availability criteria;

Table 2-1 (amounts expressed in thousands)

| | Governmental Activities | | | | | Business-type Activities | |
|---|---|---|---|---|---|---|---|
| | Governmental Funds | | | Proprietary Funds | | Proprietary Funds | |
| | Major Funds | | Non-major Funds | Non-major Funds | | Major Funds | Non-major Funds |
| | General | Motor Fuel Tax | Special Revenue | Internal Service | Governmental Activities | Water Revolving | Enterprise |
| **Fund Balance (Net Assets), June 30, 2002, as previously reported** | $ (3,306,239) | $ 109,901 | $ 1,559,601 | $ 133,907 | $ (9,256,640) | $ 1,458,846 | $ 28,452 |
| **Prior Period Adjustments** | | | | | | | |
| Understatement of tax revenues | 239,664 | 1,071 | 40,290 | | 281,025 | | |
| Overstatement of intergovernmental revenues | (62,987) | | | | | (149,168) | |
| Overstatement of expenses | 181,870 | | | | 181,870 | | 17,197 |
| Overstatement of prior general revenues | | | | | | | |
| Reclassification of fund type | | | (10,019) | 10,019 | | | |
| Understatement of self-insurance accrual | | | | | | | |
| Unreported related organization | | | | | | | |
| **Change in Accounting Principle** | | | | | | | |
| Revenue recognition | | | | | | | |
| Capitalization threshold | | | | | | | |
| **Fund Balance/Net Assets, June 30, 2002, as restated** | $ (2,947,692) | $ 110,972 | $ 1,589,872 | $ 143,926 | $ (8,793,745) | $ 1,309,678 | $ 45,649 |

- Overstatement of general government expenses related to health insurance expenses of $105.9 million in the General Revenue Account;
- Understatement of social assistance recoveries of $76.0 million in the General Revenue Account;
- Overstatement of federal government revenues of $149.2 million in the Water Revolving Fund, a major proprietary fund;
- Overstatement of incurred but not reported claims expenses of $7.4 million in the Local Government Health Insurance Reserve Fund and $9.8 million in the Teacher Health Insurance Security Fund, non-major enterprise funds;
- Change in method of accounting for capital assets of $12.4 million at Illinois State University;
- Understatement of health and life self-insurance liabilities of $7.7 million at Southern Illinois University;
- Unreported prior activities of $.1 million of the Southern Illinois Research Park, Inc., a related organization of Southern Illinois University; and
- Change in method of accounting for life membership dues of $.9 million for The Association of Alumni, Former Students and Friends of Southern Illinois University, Incorporated, a related organization of Southern Illinois University; and
- Unreported liability of $4.0 million at the Illinois Grain Insurance Corporation.

Table 2-1 continued (amounts expressed in thousands)

| | Component Units | | | |
|---|---|---|---|---|
| | Major universities | | Non-major authorities | |
| Business-type Activities | Illinois State University | Southern Illinois University | Illinois Grain Insurance Corporation | |
| $ 3,072,890 | $ 257,755 | $ 379,785 | $ 27 | |
| (149,168) | | | | |
| 17,197 | | | | |
| | | | (4,000) | |
| | | (7,655) | | |
| | | 82 | | |
| | | (929) | | |
| | (12,384) | | | |
| $ 2,940,919 | $ 245,371 | $ 371,283 | $ (3,973) | |

# 3 DEPOSITS AND INVESTMENTS

The State Treasurer is the custodian of the State's cash, cash equivalents and investments for most funds maintained in the State Treasury. Funds maintained outside the State Treasury (locally held funds), including the funds of the State's retirement systems, have independent authority to manage their own cash and investments. The investment policy and related deposit and investment disclosures for the State Treasury, Illinois State Board of Investment and funds held outside the State Treasury are described below.

Investments are categorized to give an indication of the level of custodial credit risk assumed by the State at June 30, 2003. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments (whether or not held in the State's name) and securities held by any other party (State's agent, counterparty's trust department or agent) but not in the State's name.

**STATE TREASURY**

The investment authority for the State Treasury is found in the State Treasurer Act (15 ILCS 505). The pooling of cash allows the Treasurer to invest monies not needed to pay immediate obligations so that investment earnings on available cash are maximized. Investments of the State Treasury are not segregated by fund; rather, each contributing fund's balance is treated as equity in the State Treasury. The State Treasury is not reported as a separate fund in this report. Instead, each State fund's and each component unit's balance in the State Treasury is presented as "Cash equity with State Treasurer".

***Investment Policy -***

The Treasurer's investment activities are governed by the Treasurer's published investment policy that was developed in accordance with the State statute. Investments are recorded at fair market value. Unrealized gains and losses are accounted for in the investment in which the change in fair value occurred. In addition, the Treasurer's Office has adopted its own investment practices that supplement the statutory requirements. Cash received by the Treasurer is initially deposited in clearing accounts maintained in banks located in Illinois that are insured by the Federal Deposit Insurance Corporation (FDIC). Surplus funds, as determined by the Treasurer, may be invested in time deposits, certificates of deposit and other interest-bearing accounts in FDIC-insured banks and savings and loan associations located in the State, credit unions whose principal office is located in Illinois, short-term obligations of corporations whose obligations are rated among the three highest classifications established by at least two standard rating services, repurchase agreements or other investments approved by State law.

Collateral equal to at least 102% of the amount of the deposit not covered by Federal deposit insurance is required for all time deposits and other interest-bearing deposits. Securities that may be pledged as collateral are obligations of the State and its agencies and obligations of the State and its municipalities and school districts.

Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit was made. Written custodial agreements are required that provide, among other things, that the collateral securities are held separate from the assets of the custodial bank. Prior to placing the deposit and at least monthly thereafter, the Treasurer determines that the collateral has a market value adequate to secure the deposit.

The Treasurer has established accounts with the Public Treasurers' Investment Pool for investment of State funds. Public Treasurers' Investment Pool participation provides comparable yields, a source of liquidity and requires less administrative intervention than

other short-term investments. The Public Treasurers' Investment Pool was established in 1976 to supplement and enhance the investment opportunities available to custodians of public agency funds throughout the State of Illinois. The management, custodianship and operation of the Public Treasurers' Investment Pool are under the supervision of the State of Illinois, Office of the Treasurer.

The Treasurer purchased investments in fifteen mutual funds. These mutual funds provide a comparable yield to other investments, particularly during times of falling interest rates and are a source of liquidity when cash is needed. Investments to the mutual funds can be made daily and interest income is received monthly.

Repurchase agreements are purchased from various financial institutions and rated brokerage firms located in the State. Securities pledged as collateral to secure these agreements are required to have a market value of at least 102% of the agreement. The agreements require both parties to maintain an acceptable margin on underlying securities to ensure the agreements are adequately collateralized. The Treasurer accepts only full faith and credit obligations of the United States government as collateral for repurchase agreements.

All securities pledged to secure repurchase agreements are required to be delivered to a bank other than the institution from whom the investment was acquired. A written custodial agreement with the banks that hold the Treasurer's repurchase agreement collateral requires, among other things, that the collateral securities be held separately from the assets of the bank.

Commercial paper is purchased from various brokerage firms located in the State and is held in safekeeping by a bank for the Treasurer. A written custodial agreement requires, among other things, that the safekeeping bank hold the commercial paper separately from the bank's assets.

Federal Farm Credit Banks Consolidated Systemwide Bonds are purchased from AgriBank, St. Paul, Minnesota (formerly the Farm Credit Bank of St. Louis). These bonds are held in book entry form in the Treasurer's account at the Federal Reserve Bank of Chicago. Bond proceeds are loaned to Illinois farmers through participating Production Credit Associations. Timely payment of interest and ultimate repayment of principal are 100% guaranteed by the AgriBank, a United States government corporation.

The Treasurer's investment in the State of Illinois Secondary Pool Investment Program was deposited in a trust to purchase a security interest in a pool of Small Business Administration (SBA) and Federal Home Loan Mortgage Corporation (FHLMC) loans. The securities have a floating rate indexed to the prime rate as quoted in *The Wall Street Journal* and are adjusted quarterly. The pool is guaranteed by the United States government and/or its respective agency. The trustee for the program is Bank One-Rockford. The primary pool assembler is Meridian Capital Markets, Inc. Dana Investment Advisors, Inc. works with Meridian to assemble the SBA pools and to establish a fair market price. The pool's investment advisor is Mesirow Advanced Strategies, Inc.

The Treasurer has purchased investments in U.S. Treasury Bills, Notes, and Agencies (invested in U.S. Agency discount notes in fiscal year 1998). These Treasury purchases permit greater portfolio diversification, provide comparable yields to other investment options, and provide liquidity due to the active secondary market.

Additional information on cash and investments in the State Treasury is available in the Office of the Treasurer, Fiscal Officer Responsibilities Audit Report, as of June 30, 2003. A copy of the report can be obtained from the State Treasurer at 300 West Jefferson, Springfield, Illinois, 62701.

The carrying amount of the Treasurer's cash deposits at June 30, 2003, was $1.980 billion. The bank balance of the Treasurer's cash deposits at June 30, 2003, was $3.043 billion. All of the bank balance was covered by federal depository insurance or by collateral held by the Treasurer or the Treasurer's agent in the Treasurer's name.

Table 3-1 (amounts expressed in thousands)

| | Category 1 | Category 2 | Category 3 | Fair Value |
|---|---|---|---|---|
| **Primary Government** | | | | |
| **State Treasury** | | | | |
| Categorized: | | | | |
| Repurchase agreements | $ 3,201,257 | | | $ 3,201,257 |
| U.S. Treasury and agency obligations | 7,483,074 | | | 7,483,074 |
| Commercial paper | 1,604,241 | | | 1,604,241 |
| Foreign treasury obligations | 10,000 | | | 10,000 |
| Total categorized investments | $ 12,298,572 | $ - | $ - | 12,298,572 |
| Investments not subject to categorization: | | | | |
| Public Treasurers' Investment Pool | | | | 1,043,375 |
| Mortgage Reserve Fund | | | | 18 |
| Total investments | | | | $ 13,341,965 |

**ILLINOIS STATE BOARD OF INVESTMENT**

The Illinois State Board of Investment (ISBI) is considered to be an internal investment pool of the State of Illinois, operating solely from investment income. The ISBI manages and invests the pension assets of three separate public employee retirement systems: General Assembly Retirement System, the Judges' Retirement System of Illinois, and State Employees' Retirement System of Illinois.

The member systems retain all of their available cash in the State Treasury. "Available cash" is determined to be that amount which is required for the current operating expenditures of the member systems. The excess of available cash is transferred to the Illinois State Board of Investment (ISBI) for purposes of long-term investment for the member systems. The ISBI is not reported as a separate fund in this report. Instead, each member system's balance in the ISBI is presented as "Equity in the Illinois State Board of Investments". The ISBI has $231 million in investments greater than the member systems equity due to net investment liabilities of the ISBI.

The member systems transfer money to the ISBI for investment. All investment transactions are initiated by the investment managers (either internal or external). The transaction settlement information is then forwarded to the agent bank's trust department under a master custodial agreement.

Custody of a majority of the actual physical securities is maintained at an agent of the agent bank's trust department using a book-entry system. The ISBI's master custodian is The Northern Trust Company. The agent of the master custodian is the Depository Trust Company.

***Investment Policy -***

ISBI's investment authority are specified as part of the Illinois Pension Code at 40 ILCS 5/22A-112. The ISBI reports securities at fair value. Where appropriate, the fair value includes estimated disposition costs.

For additional information on ISBI's investments, please refer to their audited financial statements as of June 30, 2003. A copy of the statements can be obtained from ISBI at 180 North LaSalle Street, Suite 2015, Chicago, Illinois 60601.

The carrying amount and bank balance of ISBI's cash deposits at June 30, 2003, was $40 thousand. All of the bank balance was covered by federal depository insurance or by collateral held by ISBI or ISBI's agent in ISBI's name.

Table 3-2 (amounts expressed in thousands)

| | Category 1 | Category 2 | Category 3 | Fair Value |
|---|---|---|---|---|
| **Illinois State Board of Investment** | | | | |
| Categorized: | | | | |
| U.S. Treasury and agency obligations | $ 862,128 | | | $ 862,128 |
| Corporate obligations | 619,010 | | | 619,010 |
| Convertible bonds | 862 | | | 862 |
| Common stock and equity funds | 3,462,973 | | | 3,462,973 |
| Convertible preferred stock | 4 | | | 4 |
| Preferred stock | 4,403 | | | 4,403 |
| Foreign equity securities | 1,144,903 | | | 1,144,903 |
| Forward foreign exchange contracts | (18) | | | (18) |
| Foreign obligations | 181,134 | | | 181,134 |
| Total categorized investments | $ 6,275,399 | $ - | $ - | 6,275,399 |
| Investments not subject to categorization: | | | | |
| Corporate obligations | | | | 76,779 |
| Common stock and equity funds | | | | 309,830 |
| Foreign equity securities | | | | 29,762 |
| Real estate funds | | | | 614,847 |
| Alternative investments | | | | 441,537 |
| Money market instruments | | | | 283,728 |
| Total investments | | | | $ 8,031,882 |

**FUNDS MAINTAINED OUTSIDE THE STATE TREASURY**

***Investment Policy –***

In addition to the State Treasury and the ISBI, statutes authorize public agencies, including the State of Illinois primary government and its component units, to engage in a wide variety of investment activities. These include bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the United States; interest-bearing savings accounts, certificates of deposit, interest-bearing time deposits or any other investments that constitute direct obligations of any bank; short-term obligations of certain qualified United States corporations; short-term discount obligations of the Federal National Mortgage Association; shares or other securities legally issued by certain state or federal savings and loan associations; insured dividend-bearing share accounts and certain other accounts of chartered credit unions; certain money market mutual funds; Public Treasurers' Investment Pool; and repurchase agreements that meet certain instrument and transaction requirements. Statutes require that investments purchased must mature or be redeemable prior to the date they will be needed to pay expenditures.

The investments of the State's five retirement systems (classified as pension trust funds) are governed by the State Pension Code. Authorized investments consist of bonds, equities, real estate, venture capital and other activities that are consistent with the "prudent person" rule. The "prudent person" rule, as adopted by the Illinois General Assembly in 1982, states that fiduciaries must discharge their duties with the care, skill, prudence and diligence which a prudent person acting in a like capacity and familiar with such matters would use under conditions prevailing at the time.

In addition to statutory requirements, primary government agencies and component units have adopted their own supplemental investment practices, which further regulate such activities.

***Deposits –***

By statute, public monies deposited in financial institutions must either be collateralized; insured by an agency of the federal government; or not exceed 75% of the capital stock and surplus, 75% of the net worth, or 50% of the unimpaired capital and surplus of a financial institution.

**Primary Government-Governmental and Business-Type Activities**

As of June 30, 2003, the carrying amount (amounts expressed in thousands) of cash deposits for the primary government was $370,636 and the bank balance was $375,452. Of the bank balance, $227,452 was covered by federal depository insurance or by collateral held by the State or the State's agent in the State's name, $147,468 was covered by collateral held in the pledging bank's trust department or by its agent in the State's name and $532 was uninsured and uncollateralized.

**Fiduciary Funds**

As of June 30, 2003, the carrying amount (amounts expressed in thousands) of cash deposits for the fiduciary funds was $630,886 and the bank balance was $628,891. Of the bank balance, $617,339 was covered by Federal depository insurance or by collateral held by the State or the State's agent in the State's name, $9,756 was covered by collateral held in the pledging banks trust department or by its agent in the State's name and $1,796 was uninsured and uncollateralized.

**Component Units**

As of June 30, 2003, the carrying amount (amounts expressed in thousands) of the State's component units' cash deposits was $289,792 and the bank balance was $317,984. Of the bank balance, $301,400 was covered by federal depository insurance or by collateral held by the State or the State's agent in the State's name, $9,661 was covered by collateral held in the pledging bank's trust department or by its agent in the State's name and $6,923 was uninsured and uncollateralized.

Table 3-3 (amounts expressed in thousands)

| | Category | | | Fair |
|---|---|---|---|---|
| | 1 | 2 | 3 | Value |
| **Primary Government** | | | | |
| **Governmental and Business-Type Activities** | | | | |
| **Funds Maintained Outside the State Treasury** | | | | |
| Categorized: | | | | |
| U.S. Treasury and agency obligations | $ 229,265 | | $ 597,656 | $ 826,921 |
| Corporate equity securities | 184 | | | 184 |
| Total categorized investments | $ 229,449 | $ - | $ 597,656 | 827,105 |
| Investments not subject to categorization: | | | | |
| Investment contracts/security lending investment pools | | | | 24,100 |
| Tangible property | | | | 1,718 |
| Investments not held for income or profit | | | | 10,270 |
| Investments held in U.S. Treasury for unemployment claims | | | | 97,319 |
| Investment in mutual funds | | | | 364,748 |
| Total investments | | | | $ 1,325,260 |

Table 3-4 (amounts expressed in thousands)

| | Category 1 | Category 2 | Category 3 | Fair Value |
|---|---|---|---|---|
| **Fiduciary Funds** | | | | |
| Categorized: | | | | |
| Repurchase agreements | $ 2,859,032 | $ 15,425 | | $ 2,874,457 |
| U.S. Treasury and agency obligations | 5,936,083 | | $ 30,029 | 5,966,112 |
| Municipal debt | 29,179 | | | 29,179 |
| Commercial paper | 505,898 | | | 505,898 |
| Corporate debt securities | 5,226,714 | | 24,259 | 5,250,973 |
| Corporate equity securities | 9,882,987 | | 286 | 9,883,273 |
| Total categorized investments | $ 24,439,893 | $ 15,425 | $ 54,574 | 24,509,892 |
| Investments not subject to categorization: | | | | |
| Investment contracts/security lending investment pools | | | | 5,343,018 |
| Tangible property | | | | 2,272,624 |
| Foreign currency investments | | | | 23,906 |
| Investments held by broker-dealers under securities loans: | | | | |
| U.S. Treasury debt | | | | 881,559 |
| Corporate debt | | | | 227,264 |
| Corporate equity | | | | 1,296,003 |
| Collective investment funds | | | | 735,248 |
| Equity in Public Treasurers' Investment Pool | | | | 144 |
| Investment in mutual funds | | | | 10,204,682 |
| Total investments | | | | $ 45,494,340 |

Table 3-5 (amounts expressed in thousands)

| | Category 1 | Category 2 | Category 3 | Fair Value |
|---|---|---|---|---|
| **Component Units** | | | | |
| Categorized: | | | | |
| Repurchase agreements | $ 40,869 | $ 95,442 | | $ 136,311 |
| U.S. Treasury and agency obligations | 918,801 | 14,066 | $ 3,555 | 936,422 |
| Municipal debt | 748 | | | 748 |
| Commercial paper | 21,968 | | 180 | 22,148 |
| Corporate debt securities | 275,061 | 7,717 | 280 | 283,058 |
| Corporate equity securities | 263,106 | 50,567 | 4,491 | 318,164 |
| Total categorized investments | $ 1,520,553 | $ 167,792 | $ 8,506 | 1,696,851 |
| Investments not subject to categorization: | | | | |
| Investment contracts | | | | 515,910 |
| Tangible property | | | | 36,859 |
| Equity in Public Treasurers' Investment Pool | | | | 197,317 |
| Investment in mutual funds | | | | 963,908 |
| Total investments | | | | $ 3,410,845 |

**RECONCILIATION TO STATEMENT OF NET ASSETS AND STATEMENT OF FIDUCIARY NET ASSETS**

The Statement of Net Assets and Statement of Fiduciary Net Assets account cash and cash equivalents contains certain short-term investments (included as investments above) to reflect their liquidity. In addition, the disclosures related to deposits and investments above include certain items that the Statement of Net Assets and the Statement of Fiduciary Net Assets show as restricted assets or other assets. A reconciliation follows:

Table 3-7 (amounts expressed in thousands)

| Component Units | Deposits | Investments |
|---|---|---|
| Amounts Per Note: | | |
| Funds maintained outside of the State Treasury | $ 289,792 | $ 3,410,845 |
| Cash equivalents | 550,533 | (550,533) |
| **Amounts per Statement of Net Assets** | $ 840,325 | $ 2,860,312 |

Table 3-6 (amounts expressed in thousands)

| Primary Government | Deposits | Investments |
|---|---|---|
| Amounts Per Note: | | |
| ISBI (net of investment liabilities of $230,901) | $ 40 | $ 7,800,981 |
| Governmental and business-type | 370,636 | 1,325,260 |
| Fiduciary | 630,886 | 45,494,340 |
| Cash equivalents | 93,694 | (93,694) |
| Other assets | | (1,310,202) |
| **Total** | $ 1,095,256 | $ 53,216,685 |
| Amount per Statement of Net Assets | $ 402,350 | $ 1,283,276 |
| Amount per Fiduciary Funds Statement of Net Assets | 692,906 | 51,933,409 |
| **Total** | $ 1,095,256 | $ 53,216,685 |

**DERIVATIVES**

Certain State agencies, principally Teachers' Retirement System (TRS), ISBI and State Universities Retirement System (SURS), invest in derivative securities. These derivative securities have been authorized by the policies of the applicable State agencies and the Illinois Compiled Statutes. A derivative security is an investment whose return on investment depends upon the underlying value of other assets such as commodity prices, bond and stock prices or a market index. In general, a derivative is used to modify exposure to undesirable risks, to increase portfolio liquidity and flexibility or to enhance investment yields within the level of risk defined in the agency's investment guidelines.

Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the established terms. In order to eliminate credit risk, all derivative securities of TRS, ISBI and SURS are done through a clearinghouse which guarantees delivery and accepts the risk of default by either party. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by TRS, ISBI and SURS by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. These limits are approved by governing bodies and senior management, and the risk positions of the investment managers are reviewed periodically to monitor compliance with limits.

TRS, ISBI and SURS invest in the following types of derivatives: foreign currency forward contracts, collateralized mortgage obligations, financial futures and financial options.

Foreign currency forward contracts are used to hedge against the currency risk in agencies' foreign stock and fixed income security portfolios. Foreign currency forward contracts are an agreement to purchase or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed upon price. Fluctuations in the market value of foreign currency forward contracts are recognized as incurred rather than at the maturity or settlement date of the contract. Foreign currency forward contracts represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts. As of June 30, 2003, the net unrealized gain(loss) of foreign currency forward contracts outstanding (expressed in thousands) for TRS, ISBI and SURS was ($464), ($18) and ($360), respectively.

Collateralized mortgage obligations are securities which are based on cash flows from principal and interest payments on underlying mortgages. Therefore, they are sensitive to prepayment by mortgagees, which may result from a decline in interest rates. As of June 30, 2003, the fair value of collateralized mortgage obligations (expressed in thousands) for ISBI and SURS was $112,763 and $140,074, respectively.

Financial futures are agreements to purchase or sell a specific amount of an asset at a specified delivery or maturity date for an agreed-upon price. As the market value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to the clearinghouse. Financial futures represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts.

Financial options are agreements that give one party the right, but not the obligation, to purchase or sell a specific amount of an asset for a specified price, called the strike price, on or before a specified expiration date. As writers of financial options, TRS, ISBI and SURS receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums received are recorded as a liability when the financial option is written. Fluctuations in the fair value of financial options are recognized in the financial statements as incurred rather than at the time the options are exercised or when they expire. As a purchaser of financial options, ISBI and SURS pay a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums paid are recorded as an asset when the financial option is purchased and gains/losses are recognized when the options are exercised by the agency or they expire.

As of June 30, 2003, the fair value of option contracts written (expressed in thousands) for TRS and SURS was ($464) and ($2,095), respectively.

Table 3-8 (amounts expressed in thousands)

| | Contractual Principal Outstanding* | | |
|---|---|---|---|
| Type of Derivative Contract | Teachers' Retirement System | Universities Retirement System | Illinois State Board of Investment |
| Domestic interest rate products | | | |
| Fixed income futures purchased | $ 31,577 | $ 16,700 | $ 2,347 |
| Fixed income futures sold | | 192,700 | 103,030 |
| Fixed income put options (w rittten, purchased) | 7,939 | 301,150 | 1,126 |
| Fixed income call options (w ritten, purchased) | 9,093 | 261,750 | 898 |
| International interest rate products | | | |
| Fixed income futures purchased | 8,981 | 547,699 | |
| Fixed income futures sold | | 31,000 | |
| Fixed income put options (w ritten, purchased) | | 434,000 | |
| Fixed Income call options (w ritten, purchased) | | 44,929 | |
| Domestic Equity Products | | | |
| S & P 500 Index and other equity futures purchased | 972,813 | 372,423 | 50,368 |
| Foreign Currency Products | | | |
| Forw ard foreign currency futures (net) | 136,556 | | |
| Currency put options (w ritten) | 8,153 | | |

* The contractual principal amounts listed above represent the fair value of the underlying assets the derivative contracts control. Contractual principal values do not represent actual balance sheet values.

The preceding table represents the derivative positions held by TRS, ISBI and SURS at June 30, 2003 in financial futures and financial options. Additional information concerning the derivative investments of TRS, ISBI and SURS can be obtained from their separately issued annual reports.

Contractual principal amounts are often used to express the volume of these transactions but do not reflect the extent to which positions may offset one another. These amounts do not represent the much smaller amounts potentially subject to risk.

**SECURITIES LENDING TRANSACTIONS**

The investment policies of certain State agencies, principally the retirement systems and certain universities, permit them to enter into securities lending transactions. In these transactions, the agency loans their securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The agencies' securities custodians are agents in lending the securities for collateral of at least 102% of the fair value of the securities. Collateral can consist of cash, cash equivalents, government securities, commercial paper or irrevocable letters of credit. Depending on their nature, securities on loan at year-end are presented as classified or unclassified in the preceding schedule of custodial credit risk. Generally, at year-end, agencies had no credit risk exposure to borrowers because the amounts they owed to borrowers exceeded the amounts borrowers owed the agencies and maturities on non-cash collateral received are longer than the lesser of the maturities of the securities lent or the term of the lending transactions. Policies regarding indemnification vary among agencies. Some agencies' contracts with custodians require them to indemnify the agency if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or the borrowers fail to pay the agency for income distributions by the securities' issuers while the securities are out on loan. Other agencies have no provisions for indemnification.

Generally, securities loans can be terminated on demand by either the agency or the borrower, although the average term of the loans is 10 to 29 days. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end has a weighted average maturity of 30 to 51 days. The relationship between the maturities of the investment pool and the agency's loans are affected by the maturities of the securities loans made by other entities that use the agent's pool, which the agency cannot determine. The agencies cannot pledge or sell collateral securities received unless the borrower defaults.

As of June 30, 2003, agencies had outstanding loaned investment securities (amounts expressed in thousands) having a fair value of $4,405,881 against which they had received collateral having a fair value of $4,550,643.

# 4 TAXES RECEIVABLE

Taxes receivable for the primary government at June 30, 2003 are as follows:

Table 4-1 (amounts expressed in thousands)

| | Income | Sales | Motor fuel | Public utility | Unemployment compensation | Other | Less allowance for uncollectible taxes | Total |
|---|---|---|---|---|---|---|---|---|
| **Primary Government** | | | | | | | | |
| **Governmental Activities:** | | | | | | | | |
| General Fund | $ 645,574 | $ 566,076 | | $ 18,656 | | $223,608 | $562,576 | $ 891,338 |
| Motor Fuel Tax Fund | | | $160,808 | | | | 32,514 | 128,294 |
| Non-major Funds | 44,740 | 199,077 | 7,707 | 21,229 | | 31,438 | 95,310 | 208,881 |
| Total governmental activities | 690,314 | 765,153 | 168,515 | 39,885 | $ -- | 255,046 | 690,400 | 1,228,513 |
| **Business-type Activities:** | | | | | | | | |
| Unemployment Compensation Trust Fund | | | | | 369,735 | | 81,527 | 288,208 |
| Total business-type activities | -- | -- | -- | -- | 369,735 | -- | 81,527 | 288,208 |
| Total Primary Government | $ 690,314 | $ 765,153 | $168,515 | $ 39,885 | $ 369,735 | $255,046 | $771,927 | $1,516,721 |
| **Fiduciary Funds:** | $ -- | $ 75,920 | $ -- | $ -- | $ -- | $ 4,919 | $ -- | $ 80,839 |

# 5 *INTERFUND BALANCES AND ACTIVITY*

Interfund due to and due from balances at June 30, 2003 consisted of the following:

Table 5-1 (amounts expressed in thousands)

| | Due From | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Due To | General Fund | Road Fund | Motor Fuel Tax Fund | Non-major Governmental Funds | Unemploy-ment Com-pensation Trust Fund | Water Revolving Fund | Designated Account Purchase Program Fund | Non-major Enterprise Funds | Internal Service Funds | Fiduciary Funds | Total |
| General Fund | $ -- | $ 6,173 | $ 1 | $ 82,777 | $ -- | $ 50 | $ -- | $ 63 | $ 3 | $ -- | $ 89,067 |
| Road Fund | -- | -- | 25,026 | -- | -- | -- | -- | -- | -- | -- | 25,026 |
| State Construction Account | -- | 66,941 | 16,810 | -- | -- | -- | -- | -- | -- | -- | 83,751 |
| Non-major Governmental Funds | 151,206 | 11,515 | 2,670 | 72,484 | 3,130 | -- | 15 | 16,780 | 23 | -- | 257,823 |
| Unemployment Compensation Trust Fund | 14,099 | 627 | -- | 125 | -- | -- | -- | -- | -- | -- | 14,851 |
| Designated Account Purchase Program Fund | -- | -- | -- | 1,090 | -- | -- | -- | 19 | -- | -- | 1,109 |
| Non-major Enterprise Funds | 47,214 | -- | -- | 1,152 | -- | -- | -- | -- | -- | 610 | 48,976 |
| Internal Service Funds | 175,803 | 5,855 | 85 | 12,242 | -- | 48 | 1 | 3,356 | 5,915 | 227 | 203,532 |
| Fiduciary Funds | 27,433 | 3,345 | 107 | 22,028 | -- | -- | -- | 4 | 154 | 77 | 53,148 |
| **Total** | $415,755 | $ 94,456 | $44,699 | $ 191,898 | $ 3,130 | $ 98 | $ 16 | $ 20,222 | $ 6,095 | $ 914 | $777,283 |

Interfund due to and due from balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers activity at June 30, 2003 consisted of the following:

Table 5-2 (amounts expressed in thousands)

| | Transfers-Out | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Transfers-In | General Fund | Road Fund | Motor Fuel Tax Fund | Pension Contribution Fund | Non-major Governmental Funds | Unemployment Compensation Trust Fund | Water Revolving Fund | Designated Account Purchase Program Fund | Non-major Enterprise Funds | Total |
| General Fund | $ -- | $ -- | $ -- | $ 300,000 | $ 2,048,400 | $ -- | $ -- | $ -- | $539,527 | $2,887,927 |
| Road Fund | -- | -- | 324,863 | -- | -- | -- | -- | -- | -- | 324,863 |
| Motor Fuel Tax Fund | -- | -- | -- | -- | 156 | -- | -- | -- | -- | 156 |
| State Construction Account | -- | -- | 223,475 | -- | -- | -- | -- | -- | -- | 223,475 |
| Non-major Governmental Funds | 3,034,357 | 229,507 | 62,040 | -- | 709,193 | 10,045 | 533 | 572 | 1,034 | 4,047,281 |
| Water Revolving Fund | -- | -- | -- | -- | 21,000 | -- | -- | -- | -- | 21,000 |
| Designated Account Purchase Program Fund | -- | -- | -- | -- | -- | -- | -- | -- | 6,633 | 6,633 |
| Non-major Enterprise Funds | 2,000 | -- | -- | -- | -- | -- | -- | -- | -- | 2,000 |
| **Total** | $3,036,357 | $229,507 | $610,378 | $ 300,000 | $ 2,778,749 | $ 10,045 | $ 533 | $ 572 | $547,194 | $7,513,335 |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts to debt service funds as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In order to address shortfalls in expected revenues during the fiscal year, $156 million were transferred into the General Revenue Account, a sub-account of the General Fund from various non-major governmental funds.

The repayments of short-term certificate principal, $1,000,000, and premiums $10,620, by the General Obligation Bond Retirement and Interest Fund, a non-major governmental fund, are shown as a transfer-out to the General Revenue Account and the Long-Term Care Provider Account, sub-accounts of the General Fund. Also, $445 thousand was transferred from the General Obligation Bond Retirement and Interest Fund to pay arbitrage rebates to the federal government.

# 6 LOANS AND NOTES RECEIVABLE

Loans and notes receivable at June 30, 2003, consisted of the following:

Table 6-1 (amounts expressed in thousands)

| | Primary Government | | | | | |
|---|---|---|---|---|---|---|
| | General Fund | Non-major Governmental Funds | Water Revolving Fund | Designated Account Purchase Program Fund | Fiduciary Funds | Component Units |
| Mortgage loan program | $ 3 | $ 119 | | | | $ 1,660,353 |
| Student loan program | 30,276 | 1,492 | | $ 2,535,983 | $ 113 | 118,493 |
| Local government infrastructure | | | $ 1,240,941 | | | 78,859 |
| Business loan program | 29,299 | | | | | 465 |
| Port district construction | 15,228 | | | | | |
| Other | 2,811 | 111,488 | | | | 2,787 |
| | 77,617 | 113,099 | 1,240,941 | 2,535,983 | 113 | 1,860,957 |
| Less: Allowance for uncollectible accounts | 64,053 | 1,815 | | 5,720 | 45 | 45,499 |
| Total | 13,564 | 111,284 | 1,240,941 | 2,530,263 | 68 | 1,815,458 |
| Less: Amounts representing restricted assets | | | 257,390 | 2,530,263 | | 10,341 |
| Loans and notes receivable, net | $ 13,564 | $ 111,284 | $ 983,551 | $ -- | $ 68 | $ 1,805,117 |

A portion of the General fund type business loan programs ($29.3 million) represents various funds' pooled resources that the State has invested in a pilot mortgage program since fiscal year 1983. The only remaining program is categorized as a hotel loan and is discussed below.

Effective January 12, 1987, two of the program's outstanding mortgage loans aggregating $28.9 million were restructured. One of these loans with an original balance of $15.5 million was restructured again effective January 1, 1990. The remaining loan totaling $13.4 million in original value was restructured effective January 1, 1991. Through June 30, 1998, the Treasurer recorded a provision for the write-down of $17.1 million for these two properties based on independent valuations. These two loans have been classified as non-performing assets.

In 1995, the Treasurer authorized the trustee to sell the mortgage loans. However, the Attorney General opined that both his and the Governor's consent were required which was not provided. Affiliates of the owners of the hotel loans filed a lawsuit against the trustee and the Treasurer seeking specific performance of the buy-sell agreement on the agreed-to terms.

On March 13, 2000, the Circuit Court in Madison County entered a judgment order requiring the Trustee and Treasurer to sell the mortgage loans on the hotel properties to the plaintiffs. The court found that the plaintiffs were ready, willing and able to perform the buy-sell agreements at the time originally set for closing in 1995. The Trustee and the Treasurer are appealing the order. Briefings on the appeal were completed in February 2001 with oral arguments to order. No ruling has yet been issued on the arguments.

On October 31, 1997, the trustee filed suit against the Hotel ventures for making improper deductions in determining payments due, creating a default and making the loan balances due upon

demand. At the time of the filing of the suit, the trustee presented letters of credit with a value of $2.7 million, which serve as collateral for the loans of one of the properties, for collection. The ventures obtained a restraining order to prevent collection of the letters of credit.

The two lawsuits were filed in Cook County. The affiliates of the owners of the hotel loans asked the Court to stay the lawsuits while the Madison County action was pending, and their motions were granted. After the final judgment was entered in the Madison County case, the Judge in the Cook County matter who is presiding over one of the lawsuits lifted his stay. Plaintiffs in the Madison County case then asked the Court to hold the trustee and its counsel in contempt for pursuing the Cook County case. Eventually, the trustee petitioned the Illinois Supreme Court for a supervisory order to allow it to proceed prosecuting the Cook County case without being held in contempt by the Madison County Court. The Supreme Court issued such a supervisory order in the fall of 2001, and the Cook County case is now proceeding. However, the other lawsuit remains stayed. As a result of discovery in the case which is proceeding, the trustee has determined that there have been additional events of default, and as a result, the trustee has now filed an amended complaint. The outcome of this litigation is not presently determinable.

The write-down of the above Hotel loans is not considered forgiveness of the obligations and collection efforts will continue for the entire loan balance including principal and interest.

# 7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2003 was as follows:

Table 7-1 (amounts expressed in thousands)

| | Beginning Balance | Additions | Deletions | Transfers and Reclassifications | Ending Balance |
|---|---|---|---|---|---|
| **Primary Government** | | | | | |
| **Governmental Activities** | | | | | |
| **Capital assets not being depreciated:** | | | | | |
| Land and land improvements | $ 2,189,166 | $ 113,146 | $ 11,803 | $ (2,380) | $ 2,288,129 |
| Historical treasures and works of art | 37,712 | 308 | -- | 222 | 38,242 |
| Construction in progress | 267,324 | 249,085 | 18,505 | (291,934) | 205,970 |
| Total capital assets not being depreciated | 2,494,202 | 362,539 | 30,308 | (294,092) | 2,532,341 |
| **Capital assets being depreciated:** | | | | | |
| Infrastructure | 18,904,350 | 1,323,142 | 356,013 | -- | 19,871,479 |
| Site improvements | 510,601 | 7,132 | 496 | 13,193 | 530,430 |
| Buildings and building improvements | 3,478,147 | 5,619 | 23,484 | 256,039 | 3,716,321 |
| Equipment | 1,060,702 | 77,446 | 39,713 | (12,936) | 1,085,499 |
| Historical treasures and works of art | 130 | -- | -- | -- | 130 |
| Total capital assets being depreciated | 23,953,930 | 1,413,339 | 419,706 | 256,296 | 25,203,859 |
| **Less accumulated depreciation for:** | | | | | |
| Infrastructure | 8,098,001 | 846,595 | 356,013 | -- | 8,588,583 |
| Site improvements | 203,274 | 18,059 | 5,395 | 588 | 216,526 |
| Buildings and building improvements | 1,457,261 | 92,770 | 12,778 | 7,810 | 1,545,063 |
| Equipment | 746,270 | 98,352 | 37,386 | (8,014) | 799,222 |
| Historical treasures and works of art | 130 | -- | -- | -- | 130 |
| Total accumulated depreciation | 10,504,936 | 1,055,776 | 411,572 | 384 | 11,149,524 |
| Total capital assets being depreciated, net | 13,448,994 | 357,563 | 8,134 | 255,912 | 14,054,335 |
| **Governmental activities capital assets, net** | $ 15,943,196 | $ 720,102 | $ 38,442 | $ (38,180) | $ 16,586,676 |

| **Depreciation expense for governmental activities was charged to functions as follows:** | |
|---|---|
| Health and social services | $ 46,573 |
| Education | 8,785 |
| General government | 42,524 |
| Employment and economic development | 7,535 |
| Transportation | 876,685 |
| Public protection and justice | 51,814 |
| Environmental and business regulation | 21,860 |
| Total | $ 1,055,776 |

Table 7-2 (amounts expressed in thousands)

| | Beginning Balance, as Restated | Additions | Deletions | Transfers and Reclassifications | Ending Balance |
|---|---|---|---|---|---|
| **Primary Government** | | | | | |
| **Business-type Activities** | | | | | |
| **Capital assets not being depreciated:** | | | | | |
| Land and land improvements | $ 190 | $ -- | $ -- | $ -- | $ 190 |
| Total capital assets not being depreciated | 190 | -- | -- | -- | 190 |
| **Capital assets being depreciated:** | | | | | |
| Buildings and building improvements | 1,229 | 130 | -- | -- | 1,359 |
| Equipment | 10,669 | 530 | 1,069 | (116) | 10,014 |
| Total capital assets being depreciated | 11,898 | 660 | 1,069 | (116) | 11,373 |
| **Less accumulated depreciation for:** | | | | | |
| Buildings and building improvements | 97 | 29 | -- | -- | 126 |
| Equipment | 7,600 | 1,235 | 1,037 | (77) | 7,721 |
| Total accumulated depreciation | 7,697 | 1,264 | 1,037 | (77) | 7,847 |
| Total capital assets being depreciated, net | 4,201 | (604) | 32 | (39) | 3,526 |
| **Business-type activities capital assets, net** | $ 4,391 | $ (604) | $ 32 | $ (39) | $ 3,716 |
| **Fiduciary Funds** | | | | | |
| **Capital assets not being depreciated:** | | | | | |
| Land and land improvements | $ 1,670 | $ -- | $ -- | $ -- | $ 1,670 |
| Total capital assets not being depreciated | 1,670 | -- | -- | -- | 1,670 |
| **Capital assets being depreciated:** | | | | | |
| Site improvements | 322 | -- | -- | -- | 322 |
| Buildings and building improvements | 14,280 | 64 | -- | -- | 14,344 |
| Equipment | 26,536 | 339 | 216 | (288) | 26,371 |
| Total capital assets being depreciated | 41,138 | 403 | 216 | (288) | 41,037 |
| **Less accumulated depreciation for:** | | | | | |
| Site improvements | 251 | 11 | -- | -- | 262 |
| Buildings and building improvements | 4,900 | 410 | -- | -- | 5,310 |
| Equipment | 17,613 | 2,098 | 201 | (288) | 19,222 |
| Total accumulated depreciation | 22,764 | 2,519 | 201 | (288) | 24,794 |
| Total capital assets being depreciated, net | 18,374 | (2,116) | 15 | -- | 16,243 |
| **Fiduciary funds capital assets, net** | $ 20,044 | $ (2,116) | $ 15 | $ -- | $ 17,913 |
| **Component Units** | | | | | |
| **Capital assets not being depreciated:** | | | | | |
| Land and land improvements | $ 384,042 | $ 14,503 | $ 1,955 | $ 3,922 | $ 400,512 |
| Historical treasures and works of art | 24,038 | 2,945 | 110 | (7,100) | 19,773 |
| Construction in progress | 825,096 | 301,584 | 16,462 | (495,863) | 614,355 |
| Total capital assets not being depreciated | 1,233,176 | 319,032 | 18,527 | (499,041) | 1,034,640 |
| **Capital assets being depreciated:** | | | | | |
| Infrastructure | 2,914,525 | 64,244 | 3,050 | 330,969 | 3,306,688 |
| Site improvements | 637,450 | 38,200 | 1,319 | 60,285 | 734,616 |
| Buildings and building improvements | 3,633,167 | 102,676 | 3,958 | 111,337 | 3,843,222 |
| Equipment | 1,668,997 | 192,281 | 75,767 | 1,912 | 1,787,423 |
| Historical treasures and works of art | 311,528 | 19,341 | 4 | -- | 330,865 |
| Total capital assets being depreciated | 9,165,667 | 416,742 | 84,098 | 504,503 | 10,002,814 |
| **Less accumulated depreciation for:** | | | | | |
| Infrastructure | 1,810,834 | 126,187 | 1,887 | (9,470) | 1,925,664 |
| Site improvements | 224,264 | 17,017 | 303 | 9,307 | 250,285 |
| Buildings and building improvements | 1,482,804 | 85,070 | 939 | 1,649 | 1,568,584 |
| Equipment | 1,081,797 | 142,900 | 67,003 | (1,506) | 1,156,188 |
| Historical treasures and works of art | 224,775 | 16,237 | 1,995 | -- | 239,017 |
| Total accumulated depreciation | 4,824,474 | 387,411 | 72,127 | (20) | 5,139,738 |
| Total capital assets being depreciated, net | 4,341,193 | 29,331 | 11,971 | 504,523 | 4,863,076 |
| **Component units capital assets, net** | $ 5,574,369 | $ 348,363 | $ 30,498 | $ 5,482 | $ 5,897,716 |

# 8 CHANGES IN LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2003 are summarized as follows:

Table 8-1 (amounts expressed in thousands)

| | Balance July 1, 2002 | Additions | Deletions | Balance June 30, 2003 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| **Primary Government** | | | | | |
| **Governmental Activities** | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds (note 9) | $ 8,405,437 | $12,381,199 | $(1,186,665) | $19,599,971 | $ 634,690 |
| Special obligation bonds (note 10) | 2,003,353 | 319,931 | (232,114) | 2,091,170 | 102,190 |
| Deferred amount on refundings: | | | | | |
| General obligation bonds (note 9) | (20,136) | (44,914) | 16,115 | (48,935) | -- |
| Special obligation bonds (note 10) | (7,929) | -- | 2,342 | (5,587) | -- |
| Unamortized premiums: | | | | | |
| General obligation bonds (note 9) | 84,893 | 161,542 | (15,413) | 231,022 | -- |
| Special obligation bonds (note 10) | 26,889 | 20,836 | (3,079) | 44,646 | -- |
| Unamortized (discounts): | | | | | |
| General obligation bonds (note 9) | -- | (2,869) | 60 | (2,809) | -- |
| Total bonds payable | 10,492,507 | 12,835,725 | (1,418,754) | 21,909,478 | 736,880 |
| Other long-term obligations: | | | | | |
| Capital lease obligations (note 13A) | 21,775 | 1,258 | (4,011) | 19,022 | 4,668 |
| Installment purchases (note 13D) | 29,166 | 6,029 | (15,336) | 19,859 | 10,283 |
| Certificates of participation (note 13B) | 138,090 | -- | (7,370) | 130,720 | 7,755 |
| Department of Nuclear Safety (note 13C) | 17,500 | -- | -- | 17,500 | -- |
| Cape Girardeau bridge (note 13E) | 18,254 | 8,778 | (7,671) | 19,361 | 7,721 |
| Workers compensation (note 18) | 132,717 | 79,880 | (76,334) | 136,263 | 69,086 |
| Auto liability (note 18) | 7,726 | 2,771 | (2,572) | 7,925 | 3,687 |
| Compensated absences (note 1M) | 540,141 | 269,429 | (398,304) | 411,266 | 93,916 |
| Net pension obligation (note 15) | 14,633,026 | 1,368,402 | -- | 16,001,428 | -- |
| Other obligations (note 13H) | 18,118 | 2,466 | (448) | 20,136 | 12,186 |
| Total other long-term obligations | 15,556,513 | 1,739,013 | (512,046) | 16,783,480 | 209,302 |
| **Total Governmental Activities** | $26,049,020 | $14,574,738 | $(1,930,800) | $38,692,958 | $ 946,182 |
| **Business-type Activities** | | | | | |
| ***Water Revolving:*** | | | | | |
| Bonds and notes payable: | | | | | |
| Revenue bonds (note 11) | $ 150,000 | $ -- | $ (3,085) | $ 146,915 | $ 8,350 |
| Unamortized premiums/(discounts) | 9,816 | -- | (1,696) | 8,120 | -- |
| Total bonds and notes payable | 159,816 | -- | (4,781) | 155,035 | 8,350 |
| Other long-term obligations: | | | | | |
| Compensated absences (note 1M) | 995 | 350 | (448) | 897 | 338 |
| Total Water Revolving | 160,811 | 350 | (5,229) | 155,932 | 8,688 |
| ***Designated Account Purchase Program:*** | | | | | |
| Bonds and notes payable: | | | | | |
| Revenue bonds (note 11) | 2,500,830 | 750,000 | (137,345) | 3,113,485 | 315,475 |
| Notes payable (note 12) | 100,294 | -- | -- | 100,294 | 100,294 |
| Deferred amount on refundings | (242) | -- | 145 | (97) | -- |
| Unamortized premiums/(discounts) | (10,377) | (3,165) | 839 | (12,703) | -- |
| Total Designated Account Purchase Program | 2,590,505 | 746,835 | (136,361) | 3,200,979 | 415,769 |

Table 8-2 (amounts expressed in thousands)

| | Balance July 1, 2002 as Restated | Additions | Deletions | Balance June 30, 2003 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| **Primary Government continued** | | | | | |
| **Business-type Activities, continued** | | | | | |
| ***Other business-type activity programs:*** | | | | | |
| Other long-term obligations: | | | | | |
| Lottery prize awards (note 13F) | $ 34,180 | $ -- | $ (14,969) | $ 19,211 | $ 14,519 |
| Capital lease obligations (note 13A) | 75 | 70 | (70) | 75 | 40 |
| Installment purchases (note 13D) | 38 | -- | (9) | 29 | 28 |
| Tuition and related accretion payable (note 13G) | 264,380 | 136,511 | (3,976) | 396,915 | 9,932 |
| Compensated absences (note 1M) | 4,695 | 4,710 | (4,288) | 5,117 | 505 |
| Other obligations (note 13H) | 9,750 | -- | (2,347) | 7,403 | 7,403 |
| Total other business-type activity programs | 313,118 | 141,291 | (25,659) | 428,750 | 32,427 |
| **Total Business-type Activities** | $ 3,064,434 | $ 888,476 | $ (167,249) | $ 3,785,661 | $ 456,884 |
| ***Fiduciary Funds*** | | | | | |
| Revenue bonds (note 11) | $ 17,024 | $ 1,283 | $ -- | $ 18,307 | $ 10,000 |
| Capital lease obligations (note 13A) | 59 | -- | (45) | 14 | 14 |
| Compensated absences (note 1M) | 3,446 | 399 | (591) | 3,254 | 14 |
| **Total Fiduciary Funds** | $ 20,529 | $ 1,682 | $ (636) | $ 21,575 | $ 10,028 |
| **Component Units** | | | | | |
| Bonds and notes payable: | | | | | |
| Revenue bonds (note 11) | $ 3,922,066 | $ 404,200 | $ (495,010) | $ 3,831,256 | $ 231,033 |
| Notes payable (note 12) | 40,524 | 26,257 | (19,543) | 47,238 | 29,742 |
| Deferred amount on refundings | (33,749) | (532) | 2,208 | (32,073) | -- |
| Unamortized premiums/(discounts) | (12,091) | 10,232 | 181 | (1,678) | 56 |
| Total bonds and notes payable | 3,916,750 | 440,157 | (512,164) | 3,844,743 | 260,831 |
| Other long-term obligations: | | | | | |
| Capital lease obligations (note 13A) * | 31,673 | 33,398 | (9,956) | 55,115 | 10,535 |
| Installment purchases (note 13D) | 3,597 | 37 | (919) | 2,715 | 291 |
| Certificates of participation (note 13B) | 387,280 | 25,200 | (11,685) | 400,795 | 12,725 |
| Unamortized premiums/(discounts) | 8,445 | 78 | (68) | 8,455 | -- |
| Accrued self-insurance (note 18) * | 107,911 | 48,560 | (39,248) | 117,223 | 28,079 |
| Compensated absences (note 1M) * | 369,544 | 9,663 | (26,706) | 352,501 | 39,277 |
| Other obligations (note 13H) * | 248,131 | 48,088 | (43,816) | 252,403 | 175,284 |
| Total other long-term obligations | 1,156,581 | 165,024 | (132,398) | 1,189,207 | 266,191 |
| **Total Component Units** | $ 5,073,331 | $ 605,181 | $ (644,562) | $ 5,033,950 | $ 527,022 |

* Prior year amounts restated for prior misclassification as other liabilities

The amounts liquidated in subsequent years for certain liabilities for governmental activities of the primary government will be as follows:

**Compensated absences, certificates of participation and capital lease obligations (including installment purchases)** – by the applicable governmental and internal service funds that account for the salaries and wages of the related employees or incurred the obligation.

**Workers compensation** – by the General Fund, the Road Fund or the Mental Health Fund (non-major governmental fund) based on the function of the related employees.

**Net pension obligation** – by the applicable charges to funds that account for the salaries and wages of the related employees who are members of the General Assembly Retirement System, the Judges' Retirement System or the State Employees' Retirement System. In addition, appropriations in subsequent years from the General Fund will liquidate amounts for employees who are members of the Teachers' Retirement System or the State Universities Retirement System.

**Other** – by the applicable governmental funds that incurred the obligation as discussed in Note 13.

# 9 GENERAL OBLIGATION BONDS

General obligation bonds have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction and conservation purposes and for maintenance and construction of highway and waterway facilities. Bonds also have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal as an energy source. In addition, bonds have been authorized to refund any general obligation bonds outstanding.

The State Constitution provides that the State may issue general obligation bonds for specific purposes in such amounts as provided either by the General Assembly with a three-fifths vote of each house or by a majority of voters in a general election. The enabling acts pursuant to which the bonds are issued provide that all bonds issued thereunder shall be direct obligations of the State of Illinois and pledge the full faith and credit of the State. General obligation bonds are redeemed over a period not to exceed 30 years from available resources in the debt service funds. However, the State of Illinois has generally issued 25 year serial bonds with equal amounts of principal and interest maturing each year, except for capital appreciation and refunding bonds which mature in varying amounts. With the exception of anti-pollution bonds, Illinois offerings generally have a call option of the State. Calls can begin 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and at a redemption price not to exceed par value.

On April 7, 2003, the Governor signed Public Act 93-0002 (House Bill 2660) that amended the General Obligation Bond Act (30 ILCS 330 et seq.) which authorized the sale of $10 billion of general obligation bonds for the purpose of making contributions to the Pension Contribution Fund (a major governmental fund). The net proceeds of this bond issue were used to: (i) reimburse the State's General Fund for a portion of the contributions made to the Retirement Systems for the last quarter of fiscal year 2003, (ii) reimburse the State's General Fund for the State's contributions to the Retirement Systems for fiscal year 2004, and (iii) fund a portion of the State's unfunded portion of prior years liabilities (see Notes 1(K) and 15). These bonds were issued as taxable bonds based on the Internal Revenue Code of 1986, as amended, and as such are not subject to the arbitrage regulations as outlined by the Tax Reform Act of 1986.

General obligation bonds outstanding and bonds authorized but unissued at June 30, 2003 are as follows:

Table 9-1 (amounts expressed in thousands)

**Governmental Activities**

| Purpose | Outstanding Interest Rates | Outstanding Amounts | Authorized but Unissued |
|---|---|---|---|
| Capital Development | 2.50 % to 6.10% | $ 3,605,301 | $ 2,016,844 |
| Transportation | 2.50 % to 6.10% | 2,199,299 | 1,539,926 |
| Anti-Pollution | 2.50 % to 12.0% | 223,478 | 47,589 |
| School Construction | 2.50 % to 6.10% | 1,814,369 | 1,101,711 |
| Coal Development | 3.00 % to 6.00% | 53,903 | 568,694 |
| Tobacco Securitization | -- | -- | 750,000 |
| Pension Funding Contribution | 2.50 % to 5.10% | 10,000,000 | -- |
| Refunding | 3.00 % to 5.50% | 1,703,621 | 1,180,225 |
| | | 19,599,971 | $ 7,204,989 |
| Deferred amount on refundings | | (48,935) | |
| Unamortized premiums/(discounts) | | 228,213 | |
| | | $ 19,779,249 | |

Changes in general obligation bonds during the year ended June 30, 2003, are summarized in Note 8. Future general obligation debt service requirements at June 30, 2003 are as follows:

Table 9-2 (amounts expressed in thousands)

| Year Ending June 30 | Governmental Activities Principal | Interest | Total |
|---|---|---|---|
| 2004 | $ 634,690 | $ 880,448 | $ 1,515,138 |
| 2005 | 645,300 | 875,177 | 1,520,477 |
| 2006 | 646,935 | 854,081 | 1,501,016 |
| 2007 | 615,770 | 833,604 | 1,449,374 |
| 2008 | 673,775 | 814,220 | 1,487,995 |
| 2009-2013 | 3,077,465 | 3,761,569 | 6,839,034 |
| 2014-2018 | 2,627,985 | 3,200,280 | 5,828,265 |
| 2019-2023 | 2,866,330 | 2,568,980 | 5,435,310 |
| 2024-2028 | 3,650,795 | 1,781,082 | 5,431,877 |
| 2029-2033 | 4,775,000 | 772,650 | 5,547,650 |
| | 20,214,045 | $ 16,342,091 | $ 36,556,136 |
| Less: Unaccreted appreciation | (614,074) | | |
| | 19,599,971 | | |
| Deferred amount on refundings | (48,935) | | |
| Unamortized premiums/(discounts) | 228,213 | | |
| **Total** | $19,779,249 | | |

## 10 *SPECIAL OBLIGATION BONDS*

Special obligation bonds have been authorized and issued to provide funds for the Build Illinois Program and the State's Metropolitan Civic Center Support Program, and to refund any bonds previously issued under these programs.

The Build Illinois Program was implemented to expand the State's efforts in economic development by providing financing in certain areas. These areas include construction, reconstruction, modernization and extension of the State's infrastructure; development and improvement of educational, scientific, technical and vocational programs and facilities; expansion of health and human services in the State; protection, preservation, restoration and conservation of the State's environmental and natural resources; and provision of incentives for the location and expansion of businesses in Illinois resulting in increased employment.

The State's Metropolitan Civic Center Support Program was implemented to provide funding for single or multi-purpose projects. The primary function of which is to provide public entertainment, exhibitions or conventions, or to provide parking facilities related thereto. Also, a portion (not to exceed $10 million) is authorized for the purpose of making construction and improvement grants by the Secretary of State, as State Librarian, to public libraries and library systems.

Special obligation bonds are payable primarily from dedicated portions of the State's sales tax and the horse racing privilege tax and are redeemed over a period of not more than 30 years. Additionally, these bonds have call provisions providing for early redemption at the option of the State, beginning 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and within any maturity by lot at varying premiums which decrease periodically.

Special obligation bonds outstanding and bonds authorized but unissued for governmental activities at June 30, 2003, are as follows:

Table 10-1 (amounts expressed in thousands)

**Governmental Activities**

| Purpose | Outstanding Interest Rates | Outstanding Amounts | Authorized but Unissued |
|---|---|---|---|
| Build Illinois | | | |
| Public infrastructure | 3.25 % to 7.25% | $ 699,796 | $ 590,470 |
| Business development | 3.25 % to 7.25% | 67,031 | 69,699 |
| Education | 3.25 % to 7.25% | 200,389 | 509,427 |
| Environment | 3.25 % to 7.25% | 26,477 | 67,165 |
| Refunding | 3.00 % to 7.00% | 947,786 | Unlimited |
| | | 1,941,479 | 1,236,761 |
| Civic Center: | | | |
| Civic centers | 6.25 % to 7.40% | 54,986 | 142,405 |
| Libraries | 6.25 % to 6.25% | 6,625 | 3,375 |
| Refunding | 4.40 % to 6.50% | 88,080 | Unlimited |
| | | 149,691 | 145,780 |
| | | 2,091,170 | $ 1,382,541 |
| Deferred amount on refundings | | (5,587) | |
| Unamortized premiums/(discounts) | | 44,646 | |
| | | $ 2,130,229 | |

Changes in special obligation bonds during the year ended June 30, 2003, are summarized in Note 8. Future special obligation debt service requirements at June 30, 2003, are as follows:

Table 10-2 (amounts expressed in thousands)

| Year Ending June 30 | Governmental Activities Principal | Interest | Total |
|---|---|---|---|
| 2004 | $ 102,190 | $ 109,458 | $ 211,648 |
| 2005 | 107,555 | 105,607 | 213,162 |
| 2006 | 112,005 | 100,788 | 212,793 |
| 2007 | 126,215 | 94,757 | 220,972 |
| 2008 | 130,140 | 88,192 | 218,332 |
| 2009-2013 | 680,775 | 339,291 | 1,020,066 |
| 2014-2018 | 584,035 | 165,667 | 749,702 |
| 2019-2023 | 251,155 | 47,790 | 298,945 |
| 2024-2028 | 56,000 | 8,400 | 64,400 |
| | 2,150,070 | $ 1,059,950 | $ 3,210,020 |
| Less: Unaccreted appreciation | (58,900) | | |
| | 2,091,170 | | |
| Deferred amount on refundings | (5,587) | | |
| Unamortized premiums/(discounts) | 44,646 | | |
| **Total** | $ 2,130,229 | | |

# 11 REVENUE BONDS

The State Constitution empowers certain State agencies and authorities to issue bonds that are not supported by the full faith and credit of the State. The bond indentures include a pledge from these agencies and authorities that income derived from acquired or constructed assets be used to retire the debt and service related interest.

Bonds outstanding at June 30, 2003 (except for the Illinois State Toll Highway Authority which is as of December 31, 2002), net of unamortized discounts, unamortized deferred amount on bond refundings and unamortized bond premiums are as follows:

Table 11-1 (amounts expressed in thousands)

| Fund Type/Agency | Amount Outstanding | Outstanding Interest Rates | Annual Maturity To |
|---|---|---|---|
| **Primary Government** | | | |
| **Business-type Activities** | | | |
| Major Funds: | | | |
| Water Revolving Fund | $ 155,035 | 3.250% to 5.500% | 2020 |
| Designated Account Purchase Program | 3,100,685 | 4.000% to 18.000% | 2042 |
| **Total Business-type Activities** | $ 3,255,720 | | |
| Fiduciary Funds: | | | |
| State Universities Retirement System | $ 18,307 | 7.350% to 7.450% | 2005 |
| **Component Units** | | | |
| Major Component Units: | | | |
| Illinois Housing Development Authority | $ 1,782,883 | 1.130% to 15.000% | 2045 |
| Illinois State Toll Highway Authority | 764,792 | 3.500% to 6.300% | 2017 |
| Illinois State University | 58,752 | 2.000% to 7.350% | 2023 |
| Northern Illinois University | 124,703 | 4.000% to 6.550% | 2029 |
| Southern Illinois University | 152,352 | 1.150% to 6.200% | 2029 |
| University of Illinois | 697,614 | 2.000% to 7.960% | 2034 |
| | 3,581,096 | | |
| Non-Major Component Units | 216,353 | 2.350% to 7.300% | 2031 |
| **Total Component Units** | $ 3,797,449 | | |

Changes in revenue bonds during the year ended June 30, 2003 are summarized in Note 8. Revenue bond debt service requirements, principal and interest as of June 30, 2003, are as follows:

Table 11-2 (amounts expressed in thousands)

| Year Ending June 30 | Primary Government | | | | Component Units | |
|---|---|---|---|---|---|---|
| | Business-type Activities | | Fiduciary Funds | | | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2004 | $ 323,825 | $ 48,935 | $ 10,000 | $ -- | $ 231,033 | $ 283,859 |
| 2005 | 83,640 | 44,171 | -- | -- | 149,613 | 186,116 |
| 2006 | 119,115 | 41,568 | 10,000 | -- | 159,326 | 178,926 |
| 2007 | 47,535 | 38,836 | -- | -- | 167,594 | 171,247 |
| 2008 | 14,905 | 37,248 | -- | -- | 176,865 | 163,455 |
| 2009-2013 | 175,600 | 172,455 | -- | -- | 946,801 | 689,576 |
| 2014-2018 | 59,325 | 149,463 | -- | -- | 1,047,529 | 445,500 |
| 2019-2023 | 8,755 | 139,360 | -- | -- | 552,346 | 253,166 |
| 2024-2028 | 275,300 | 131,732 | -- | -- | 456,204 | 130,615 |
| 2029-2033 | 170,450 | 116,162 | -- | -- | 215,720 | 30,784 |
| 2034-2038 | 1,531,950 | 68,453 | -- | -- | 10,890 | 3,412 |
| 2039-2043 | 450,000 | 17,480 | -- | -- | 6,505 | 1,665 |
| 2044-2048 | -- | -- | -- | -- | 2,730 | 184 |
| | 3,260,400 | $ 1,005,863 | 20,000 | $ -- | 4,123,156 | $ 2,538,505 |
| Less: Unaccreted appreciation | -- | | (1,693) | | (291,900) | |
| | 3,260,400 | | 18,307 | | 3,831,256 | |
| Deferred amount on refundings | (97) | | -- | | (32,073) | |
| Unamortized premiums/(discounts) | (4,583) | | -- | | (1,734) | |
| **Total** | $ 3,255,720 | | $ 18,307 | | $ 3,797,449 | |

Included within the $1,782.9 million of outstanding Illinois Housing Development Authority (IHDA) revenue bonds and $216.4 million of outstanding non-major component unit revenue bonds are $1,490.2 million and $18.2 million of bonds, respectively, which do not require the Governor to include in the State budget for payment of principal and interest. Payment of principal and interest on a portion of the IHDA bonds are general obligations of various authorities and is guaranteed from pledged revenues of the properties. Payment of principal and interest of the remainder of the IHDA bonds and the non-major component unit bonds are guaranteed by a municipal bond insurance policy.

## *Demand and Variable Rate Bonds*

### *Designated Account Purchase Program (IDAPP)*

Included in the $3,113.5 million of outstanding revenue bonds issued by IDAPP are $383.0 million of variable rate demand bonds, (Series B, Series D, Series 1996A, Series 1996B, Series 1997A, Series 1997B, Series 1998A, Series 1998B, Series 1999A and Series 1999B), the proceeds of which were used to purchase and originate student loans. The bonds mature at various dates, bearing interest rates as determined by the remarketing agent that would enable the bonds to be sold at a price equal to their principal amount, but not to exceed 18% per annum for the Series B, 15% per annum for the Series D, Series 1996B, Series 1997B, and Series 1998B bonds and 12% per annum for the Series 1996A, Series 1997A, Series 1998A, Series 1999A and Series 1999B bonds. Of these, $150.0 million are recorded as non-current. Included in the non-current demand bonds is $100.0 million of variable rate demand student loan revenue bonds, Series 1999A and Series 1999B, maturing on September 1, 2034, and $50.0 million of taxable variable rate demand student loan revenue bonds, Series D, maturing on September 1, 2023.

The bonds, if in a weekly or monthly mode, are subject to purchase on demand of the holder at a price equal to principal plus accrued interest on

seven days' notice and delivery to the remarketing agent. The remarketing agent is authorized to sell the repurchased bonds at a price equal to their principal amount by adjusting the interest rate.

Irrevocable letters of credit have been issued by various credit facilities in order to permit the Trustee to draw amounts to pay the tender price of the variable rate demand bonds tendered for payment under early redemption and demand provisions of the bond issues. Under these letters of credit, the various credit facilities, acting as tender agent, paying agent, and bond registrar for the respective bond issues, are entitled to draw the amount needed (a) to pay interest on the bonds on each interest payment date; (b) to pay principal and interest on the bonds called for redemption; (c) to pay principal and interest on the bonds resulting from an acceleration of maturity due to an event of default; and (d) to pay the tender price of bonds tendered or required to be tendered for purchase which is not to be paid from remarketing proceeds or from certain funds held under the indenture. The letters of credit have variable interest rates ranging from the Federal funds rate plus .5% to 20% per annum and expire at various dates through December 9, 2005. If the remarketing agent is unable to resell any bonds that are "put" within 180 days of the "put" date, IDAPP is required to repay the amounts drawn on the letters of credit for the redemption of these bonds. Repayment of amounts drawn on the letters of credit will be made by IDAPP from the trustee accounts.

IDAPP is required to pay to the credit facilities an origination fee based on the line of credit amounts and a quarterly commitment fee thereafter, based on the available amount of the letters of credit. Quarterly commitment fees currently in effect range from .165% to .55% of the available amount of the letters of credit.

Also included in the $3,113.5 million of outstanding revenue bonds are $2,952.9 million of variable rate bonds. These bonds carry a maximum interest rate ranging from 16% to 17%. The interest rate in effect at June 30, 2003 was used in calculating future interest payments.

There is a requirement within certain bond agreements and indentures that IDAPP must deliver to bond trustees audited financial statements within 120 days after its fiscal year-end. IDAPP was unable to meet this requirement in fiscal year 2003. IDAPP requested the trustees to waive their right to demand payment of the bonds as a result of the noncompliance. The trustees agreed to the waiver of this right. Additional information regarding IDAPP's demand bonds may be obtained from their separately issued annual report.

***Illinois Housing Development Authority (IHDA)***

Included within the IHDA's outstanding revenue bonds are $8.1 million of Multi-Family Variable Rate Demand Bonds Series 1996A and $56.6 million of Multi-Family Housing Revenue Bonds Series 1997 and Series 2000A, which are variable rate demand bonds. Interest rates on these bonds are determined weekly at a rate established by the remarketing agents on each rate determination date. The IHDA has agreements with liquidity providers to purchase any bonds tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. Payment of the principal of and interest on the bonds when due are insured by a financial guarantee insurance policy. The IHDA has a general obligation to reimburse the insurer for any such payments made.

***Illinois State Toll Highway Authority (THA)***

Included within the THA's outstanding revenue bonds are variable rate demand bonds in the amount of $178.2 million for the Series 1993B bonds and $123.1 million for the Series 1998B bonds. These bonds mature in 2010 and 2017, respectively, and bear interest rates as determined by the remarketing agents on each rate determination date not to exceed 22% and 25%, respectively. These bonds are subject to redemption if tendered by the holder at a price equal to the principal plus accrued interest upon notice and delivery to the remarketing agent. The THA has agreements with liquidity providers to

purchase any bonds so tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. The THA has obtained a financial guarantee insurance policy to guarantee the payment of principal and interest on the scheduled maturity dates. The THA has an obligation to reimburse the insurer for any such payments made.

To mitigate the effect of interest rate changes, the THA has entered into Interest Rate Swap Agreements for both the Series 1993B bonds and the Series 1998B bonds. These agreements effectively change the THA's interest rates to a synthetic fixed rate of 4.92% and 4.325%, respectively. The THA will be exposed to variable rates if a counter party to the swap agreement defaults or if the swap is terminated. However, the THA does not anticipate nonperformance. The amounts shown in the schedule of revenue bond debt service requirements are based on the fixed rate effects of this interest rate swap.

### *Derivatives*

IDAPP and IHDA have entered into various derivative instruments. As of June 30, 2003, IDAPP had two active interest rate swap contracts and IHDA had six active interest rate swap contracts, an interest rate cap and a forward delivery swap. Details of these agreements are as follows:

Table 11-3 (amounts expressed in thousands)

| Associated Bond Issue (1) | Notional Amounts | Effective Date | Fixed Rate Paid | Variable Rate Received | Rate in Effect at 6/30/03 | Fair Values (4) | Swap Termination Date | Counterparty Credit Rating |
|---|---|---|---|---|---|---|---|---|
| **Interest Rate Swap Contracts** | | | | | | | | |
| **IDAPP** | | | | | | | | |
| **RAMS*** | | | | | | | | |
| Series 2001B | $ 90,000 | 6/02 | 2.672% | 1 mo LIBOR^ | 1.12% | $ (105) | 7/03 | AAA/AA+/Aa2 |
| Series 2001B | 150,000 | 6/03 | 1.305% | 1 mo LIBOR^ | 1.12% | (218) | 7/04 | AAA/AA+/Aa2 |
| **IHDA** | | | | | | | | |
| **MVRDB**** | | | | | | | | |
| Series 1996A | 5,135 | 12/98 | 6.410% | 30 day nonfinancial commercial paper | 1.02% | (982) | 12/08 | A+/Aa3 |
| Series 1996A | 3,000 | 4/99 | 6.060% | 30 day nonfinancial commercial paper | 1.02% | (87) | 12/03 | AA-/Aa3 |
| **MHRB***** | | | | | | | | |
| Series 2000A (Lakeshore Plaza) (2) | 42,385 | 6/02 | 5.510% | Actual bond rate | 0.95% | (2,707) | 7/27 | AAA/Aaa |
| **HMRB****** | | | | | | | | |
| Series 2001D | 7,855 | 7/01 | 6.130% | 1 mo LIBOR^+30bp^^ | 1.42% | (1,012) | 2/10 | AAA/Aaa |
| Series 2001F | 10,000 | 1/02 | 6.615% | 1 mo LIBOR^+40bp^^ | 1.52% | (2,313) | 8/20 | A+/Aa3 |
| Series 2002B | 10,000 | 5/02 | 6.145% | 1 mo LIBOR^+41.5bp^^ | 1.53% | (1,488) | 2/23 | AAA/Aaa |
| **Interest Rate Cap** | | | | | | | | |
| **IHDA** | | | | | | | | |
| **MHRB***** | | | | | | | | |
| Series 1997 (Camelot Development) | 14,170 | 11/97 | 5.750% | Stated rate | 5.75% | (126) | 12/07 | AA-/Aa3 |
| **Forward Delivery Swap** | | | | | | | | |
| **IHDA** | | | | | | | | |
| **AHPTFB****** | | | | | | | | |
| Series 1994A (3) | 24,115 | 8/04 | 6.500% | 1 mo LIBOR | 1.12% | (4,071) | 6/26 | A/A2 |

* Reset Auction Mode Securities, Student Loan Revenue Bonds
** Multi-Family Variable Rate Demand Bonds
*** Multi-Family Housing Revenue Bonds
**** Homeowner Mortgage Revenue Bonds
***** Affordable Housing Program Trust Fund Bonds

^ London Interbank Offered Rate
^^ basis points

(1) All bond issues are taxable debt instruments.
(2) $550 premium received 9/17/98. Par termination rights at IHDA's option beginning 7/01/05.
(3) Counterparty collateralizes negative market value.
(4) Includes accrued interest.

Objectives of the swaps and interest rate cap. To protect against the potential rising of interest rates, IDAPP and IHDA entered into various pay-fixed, receive variable interest rate swap agreements, the objective of which is to achieve a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had IDAPP or IHDA issued fixed-rate debt. In addition, IHDA has entered into an interest rate cap agreement, the objective of which is to establish a maximum debt service which may be paid over the life of the underlying bonds. A forward delivery swap agreement, which will create a synthetic fixed interest rate on bonds which IHDA intends to issue at a future date, the objective is to lock in debt service savings on the existing bonds, which are not yet eligible to be refunded.

Terms and fair values. The terms, fair values and credit ratings of the outstanding agreements as of June 30, 2003 are as shown in Table 11-3. The notional amounts of the swaps match the principal amounts of the associated debt. The swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated bonds payable category.

Because interest rates have declined since the implementation of the swap agreements, all currently active swaps had a negative fair value as of June 30, 2003. Because the coupons on the variable rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value changes.

Credit risk. As of June 30, 2003, IDAPP and IHDA were not exposed to credit risk because of the negative fair values of the swaps. Should interest rates change and the fair values become positive, IDAPP and IHDA would be exposed to credit risk in the amount of the swaps' fair value. Fair value is a factor only upon termination.

IHDA had one swap agreement that contains a collateral agreement, at 105%, as determined by a formula, with the counter-party. The remaining swaps do not have collateral agreements. Collateral is in the form of cash, U.S. government securities or Federal Agency debentures.

Basis risk. IDAPP and IHDA are exposed to basis risk on swaps when the variable payment received is based on an index other than the index on the underlying bonds. Should the relationship between the indexes converge, the expected cost savings may not be realized. However, IDAPP and IHDA believe their swap agreements have been structured to minimize this risk.

Termination risk. IDAPP, IHDA or their counter-parties may terminate any of the swap agreements if the other party fails to perform under the terms of the agreements. If a swap is insured, a termination event occurs if the insurer fails to meet its obligations under the agreement. If a swap is terminated, the related variable-rate bond would no longer carry a synthetic fixed interest rate. IDAPP's interest swap agreements are structured that should the counterparty's bond rating drop, the counterparty would be required to put up collateral for the amount of the additional exposure. IHDA's Lakeshore Plaza interest rate swap agreement is their only insured agreement. Of the remaining IHDA agreements, IHDA would be liable to the counterparty for a payment equal to the swap's fair value if at the time of termination the swap has a negative fair value.

Rollover risk. IDAPP and IHDA are not exposed to rollover risk on their swap agreements.

As of June 30, 2003, debt service requirements of IDAPP and IHDA's outstanding variable-rate debt and net swap payments, assuming current interest rates remain the same, for their terms are as follows:

Table 11-4 (amounts expressed in thousands)

**Swap Payments and Associated Debt**
**Variable Rate Bonds**

| Year Ending June 30 | IDAPP Principal | IDAPP Interest | IDAPP Interest Rate Swaps, Net | IDAPP Total | IHDA Principal | IHDA Interest | IHDA Interest Rate Swaps, Net | IHDA Total |
|---|---|---|---|---|---|---|---|---|
| 2004 | $ 9,600 | $1,729 | $ 325 | $11,654 | $ 2,525 | $ 910 | $ 3,426 | $ 6,861 |
| 2005 | 3,600 | 149 | 20 | 3,769 | 3,055 | 872 | 3,305 | 7,232 |
| 2006 | -- | -- | -- | -- | 3,085 | 827 | 3,168 | 7,080 |
| 2007 | -- | -- | -- | -- | 6,565 | 784 | 3,031 | 10,380 |
| 2008 | -- | -- | -- | -- | 7,550 | 706 | 2,866 | 11,122 |
| 2009-2013 | -- | -- | -- | -- | 9,145 | 2,741 | 10,935 | 22,821 |
| 2014-2018 | -- | -- | -- | -- | 15,230 | 2,153 | 8,641 | 26,024 |
| 2019-2023 | -- | -- | -- | -- | 15,735 | 983 | 4,473 | 21,191 |
| 2024-2028 | -- | -- | -- | -- | 11,385 | 278 | 1,333 | 12,996 |
| Total | $13,200 | $1,878 | $ 345 | $15,423 | $74,275 | $10,254 | $ 41,178 | $125,707 |

As rates vary, variable-rate bond interest payments and net swap payments will vary.

***Conduit Debt (not included in financial statements)***

The State of Illinois, by action of the General Assembly, created various authorities for the express purpose of providing private entities with an available low cost source of capital financing for construction of facilities deemed to be in the public interest. Fees are assessed to recover related processing and application costs incurred. Bonds issued by the authorities represent limited obligations payable solely from payments made by the borrowing entities. The majority of the bonds are secured by the property financed. Upon repayment of a bond, ownership of acquired property transfers to the entity served by the bond issuance. The State has no obligation for this debt. Accordingly, these bonds are not reflected in the accompanying financial statements. At June 30, 2003, recorded amounts of revenue bonds, net of defeased bonds, and notes outstanding as reported by authority officials are as follows:

Table 11-5 (amounts expressed in thousands)

| Authority | | Amount Outstanding | Annual Maturity To |
|---|---|---|---|
| Illinois Health Facilities Authority | | $ 8,242,050 | 2036 |
| Illinois Development Finance Authority | | | |
| 501(c) not for profit | $ 2,930,304 | | 2041 |
| Environmental facilities | 1,555,960 | | 2032 |
| Industrial development | 1,146,307 | | 2033 |
| Infrastructure | 1,054,366 | | 2024 |
| Housing | 331,988 | | 2039 |
| Leases, notes and certificates of participation | 46,781 | | 2021 |
| Financially distressed city | 16,235 | | 2013 |
| | | 7,081,941 | |
| Illinois Educational Facilities Authority | | 2,839,236 | 2041 |
| Illinois Housing Development Authority | | 284,534 | 2044 |
| Southwestern Illinois Development Authority | | 193,688 | 2038 |
| Illinois Farm Development Authority | | 90,659 | 2041 |
| Upper Illinois River Valley Development Authority | | 44,508 | 2037 |
| Will-Kankakee Regional Development Authority | | 40,515 | 2030 |
| Quad Cities Regional Economic Development Authority | | 25,250 | 2031 |
| Total | | $ 18,842,381 | |

# 12 NOTES/GENERAL OBLIGATION CERTIFICATES PAYABLE

The State has obtained notes payable, normally secured by specific revenue sources, to provide financing. Outstanding notes payable at June 30, 2003 were as follows:

Table 12-1 (amounts expressed in thousands)

| Fund Type/Agency | Amount Outstanding | Interest Rates | Annual Maturity To |
|---|---|---|---|
| **Primary Government** | | | |
| **Business-type Activities** | | | |
| Major Funds: | | | |
| Designated Account Purchase Program | $ 100,294 | 0.95% to 1.15% | Demand |
| **Component Units** | | | |
| Major Component Units: | | | |
| Illinois State University | $ 1,000 | 4.25% | 2004 |
| Northern Illinois University | 6,159 | 4.35% to 7.25% | 2012 |
| Southern Illinois University | 2,480 | 3.00% to 5.05% | 2009 |
| University of Illinois | 7,489 | 1.78% | Demand |
| | 17,128 | | |
| Non-Major Component Units | 30,110 | 0.00% to 8.98% | 2019 |
| | 47,238 | | |
| Unamortized premiums/(discounts) | 56 | | |
| **Total Component Units** | $ 47,294 | | |

***General Obligation Certificates Payable***

The State is authorized to borrow up to 5% of the State's appropriations in a fiscal year to meet deficits in anticipated revenues. All such debt shall be retired from the revenues received in that fiscal year.

On July 23, 2002, the State issued $1,000.0 million of revenue anticipation certificates of which $100.0 million matured on January 15, 2003 with an interest rate of 2.25%; $300.0 million matured on April 15, 2003 with an interest rate of 3.00%; $300.0 million matured on May 15, 2003 with an interest rate of 2.50%; and $300.0 million matured on June 15, 2003 with an interest rate of 3.00%. The certificates were issued to meet significant timing variations between disbursement and receipt of budgeted funds during fiscal year 2003. Proceeds from the certificates were deposited into the following funds: $700.0 million into the General Revenue Account; $150.0 into the Income Tax Refund Account; $150.0 million into the Long Term Care Provider Account (sub-accounts of the General Fund); and $10.6 million of bond issuance premium into the General Obligation Bond Retirement and Interest Fund (a non-major governmental fund).

The State is also authorized to borrow up to 15% of the State's appropriations in a fiscal year to meet deficits caused by emergencies or failures of revenue. All monies borrowed to fund such deficits must be repaid within one year of the date of issuance.

On May 22, 2003, the State issued $1,500.0 million of general obligation certificates of which $300.0 million is scheduled to mature on January 15, 2004 with an interest rate of 2.00%; $250.0 million is scheduled to mature on March 15, 2004 with an interest rate of 1.50%; $450.0 million is scheduled to mature on April 15, 2004 with an interest rate of 2.00%; and $500.0 million is scheduled to mature on May 15, 2004 with an

interest rate of 1.50%. The certificates were issued to meet a revenue shortfall in fiscal year 2003. Proceeds from the certificates were deposited into the following funds: $975.0 million into the General Revenue Account; $50.0 million into the Long Term Care Provider Account; $475.0 million into the Income Tax Refund Account (a sub-account of the General Fund); and $9.4 million of bond issuance premium into the General Obligation Bond Retirement and Interest Fund.

Changes in notes payable during the year ended June 30, 2003 are summarized in Note 8. Changes in general obligation certificates payable during the year ended June 30, 2003 are as follows:

Table 12-2 (amounts expressed in thousands)

| | Balance July 1, 2002 | Additions | Deletions | Balance June 30, 2003 |
|---|---|---|---|---|
| **Primary Government** | | | | |
| **Governmental Activities** | | | | |
| General obligation certificates payable | $ -- | $ 2,500,000 | $ (1,000,000) | $ 1,500,000 |
| Unamortized premiums | -- | 20,040 | (10,620) | 9,420 |
| **Total Governmental Activities** | $ -- | $ 2,520,040 | $ (1,010,620) | $ 1,509,420 |

Future notes and general obligation certificates payable debt service requirements as of June 30, 2003, are as follows:

Table 12-3 (amounts expressed in thousands)

| Year Ending June 30 | Primary Government | | | | Component Units | |
|---|---|---|---|---|---|---|
| | Governmental Activities | | Business-type Activities | | | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2004 | $ 1,500,000 | $ 22,875 | $ 100,294 | $ 1,083 | $ 29,742 | $ 1,103 |
| 2005 | -- | -- | -- | -- | 3,329 | 790 |
| 2006 | -- | -- | -- | -- | 2,393 | 664 |
| 2007 | -- | -- | -- | -- | 2,294 | 546 |
| 2008 | -- | -- | -- | -- | 2,000 | 436 |
| 2009-2013 | -- | -- | -- | -- | 5,315 | 1,013 |
| 2014-2018 | -- | -- | -- | -- | 1,019 | 412 |
| 2019-2023 | -- | -- | -- | -- | 1,146 | 155 |
| | 1,500,000 | $ 22,875 | 100,294 | $ 1,083 | 47,238 | $ 5,119 |
| Unamortized premiums/(discounts) | 9,420 | | -- | | 56 | |
| | $ 1,509,420 | | $ 100,294 | | $ 47,294 | |

# 13 OTHER LONG-TERM OBLIGATIONS

Other long-term obligations reported in the government-wide statements and disclosed below are as follows:

Table 13-1 (amounts expressed in millions)

| | | Primary Government | | | |
|---|---|---|---|---|---|
| Description | Reference | Governmental Activities | Business-type Activities | Fiduciary Funds | Component Units |
| Capital lease obligations | (A) | $ 19.0 | $ 0.1 | $ -- | $ 55.1 |
| Certificates of participation | (B) | 130.7 | -- | -- | 409.3 |
| Department of Nuclear Safety | (C) | 17.5 | -- | -- | -- |
| Installment purchase obligations | (D) | 19.9 | -- | -- | 2.7 |
| Cape Girardeau Bridge - State of Illinois / State of Missouri Joint Agreement | (E) | 19.4 | -- | -- | -- |
| Obligations to Lottery Prize Winners | (F) | -- | 19.2 | -- | -- |
| Illinois Student Assistance Commission/ Tuition obligations | (G) | -- | 396.9 | -- | -- |
| Other obligations | (H) | 20.1 | 7.4 | -- | 252.4 |
| **Total Other Long-Term Obligations** | | $ 226.6 | $ 423.6 | $ -- | $ 719.5 |

***(A) Lease Commitments*** –

The State has entered into various capital and operating leases for land, office facilities, office and computer equipment and other assets. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancelable leases for financial reporting purposes. Any operating leases with scheduled rent increases are considered immaterial to the future minimum lease payments and current rental expenditures.

At June 30, 2003, assets capitalized under capitalized leases are as follows:

Table 13-2 (amounts expressed in thousands)

| | Primary Government | | | |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Fiduciary Funds | Component Units |
| Land and land improvements | $ -- | $ -- | $ -- | $ 6,232 |
| Buildings and building improvements | 18,253 | -- | -- | 16,051 |
| Equipment | 3,909 | 124 | 129 | 41,239 |
| | 22,162 | 124 | 129 | 63,522 |
| Less: Accumulated depreciation | 4,404 | 47 | 23 | 7,334 |
| | $ 17,758 | $ 77 | $ 106 | $ 56,188 |

Future minimum commitments for non-cancelable leases as of June 30, 2003 are as follows:

Table 13-3 (amounts expressed in thousands)

**Primary Government**

| Year Ending June 30 | Operating Leases | Capitalized Leases: Governmental Activities | Capitalized Leases: Business-type Activities | Capitalized Leases: Fiduciary Funds | Total |
|---|---|---|---|---|---|
| 2004 | $ 103,300 | $ 4,990 | $ 52 | $ 14 | $ 108,356 |
| 2005 | 80,608 | 4,286 | 27 | -- | 84,921 |
| 2006 | 69,533 | 1,965 | 14 | -- | 71,512 |
| 2007 | 53,371 | 1,817 | -- | -- | 55,188 |
| 2008 | 38,444 | 1,760 | -- | -- | 40,204 |
| 2009-2013 | 117,882 | 8,518 | -- | -- | 126,400 |
| 2014-2018 | -- | 6,239 | -- | -- | 6,239 |
| Total minimum lease payments | $ 463,138 | 29,575 | 93 | 14 | $ 492,820 |
| Less amounts representing interest | | 10,553 | 18 | -- | |
| Present value of net minimum lease payments | | $ 19,022 | $ 75 | $ 14 | |

Table 13-4 (amounts expressed in thousands)

**Component Units**

| Year Ending June 30 | Operating Leases | Capitalized Leases | Total |
|---|---|---|---|
| 2004 | $ 11,497 | $ 15,006 | $ 26,503 |
| 2005 | 7,230 | 12,966 | 20,196 |
| 2006 | 5,840 | 9,767 | 15,607 |
| 2007 | 3,730 | 5,458 | 9,188 |
| 2008 | 2,573 | 4,842 | 7,415 |
| 2009-2013 | 9,824 | 8,889 | 18,713 |
| 2014-2018 | 7,160 | 7,374 | 14,534 |
| 2019-2023 | 7,160 | 7,208 | 14,368 |
| 2024-2028 | 4,642 | 2,796 | 7,438 |
| Total minimum lease payments | $ 59,656 | 74,306 | $ 133,962 |
| Less amounts representing interest | | 19,191 | |
| Present value of net minimum lease payments | | $ 55,115 | |

Rental payments (amounts expressed in thousands) for operating leases charged to operations during the year ended June 30, 2003 aggregated $306,528 for the primary government and $27,022 for component units.

***(B) Certificates of Participation -***

**State-issued Certificates of Participation.** The State is authorized to issue certificates of participation ("Certificates") representing the right to receive a proportionate share in lease-purchase or installment purchase payments to be made for the benefit of State agencies for the acquisition or improvement of real or personal property, refinancing of such property, payment of expenses of such property or payment of expenses related to the issuance. The outstanding balance of the State-issued Certificates included in the governmental activities financial statements as of June 30, 2003 was $32.1 million.

Certain universities have also issued Certificates representing the right to receive a proportionate share of lease-purchase or installment payments. All of these Certificates issued by component units are considered state-issued. The outstanding balance of these Certificates as of June 30, 2003 was $409.3 million, which includes unamortized premiums of $8.5 million for the university funds, and is included in the component unit financial statements.

**Non-State-issued Certificates of Participation.** The State also finances the purchase of certain state-owned real and personal property through third party (non-State-issued) certificates. These non-State-issued Certificates are sold by private concerns and are repaid by State agency appropriations pursuant to installment purchase agreements. The outstanding balance of non-State-issued Certificates included in the governmental activities financial statements as of June 30, 2003 was $98.6 million.

Future commitments by the State to make installment payments to pay for the assets acquired and related financing costs for State-issued and non-State-issued Certificates at June 30, 2003 are as follows:

Table 13-5 (amounts expressed in thousands)

| | Certificates of Participation | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Governmental Activities | | | | | | Component Units | |
| Year Ending | State-Issued | | Non-State-Issued | | Total | | | |
| June 30 | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2004 | $ 1,425 | $ 1,825 | $ 6,330 | $ 5,394 | $ 7,755 | $ 7,219 | $ 12,725 | $ 20,149 |
| 2005 | 1,500 | 1,750 | 6,660 | 5,061 | 8,160 | 6,811 | 27,300 | 19,246 |
| 2006 | 1,580 | 1,669 | 7,025 | 4,702 | 8,605 | 6,371 | 22,040 | 17,927 |
| 2007 | 1,660 | 1,581 | 8,655 | 4,279 | 10,315 | 5,860 | 23,180 | 16,820 |
| 2008 | 1,750 | 1,487 | 5,355 | 3,900 | 7,105 | 5,387 | 24,420 | 15,634 |
| 2009-2013 | 10,325 | 5,771 | 31,400 | 14,807 | 41,725 | 20,578 | 131,915 | 57,967 |
| 2014-2018 | 13,835 | 2,202 | 30,475 | 5,870 | 44,310 | 8,072 | 79,510 | 31,632 |
| 2019-2023 | -- | -- | 2,745 | 161 | 2,745 | 161 | 79,705 | 8,651 |
| | 32,075 | $16,285 | 98,645 | $44,174 | 130,720 | $60,459 | 400,795 | $188,026 |
| Unamortized premiums /(discounts) | -- | | -- | | -- | | 8,455 | |
| | $32,075 | | $98,645 | | $130,720 | | $409,250 | |

***(C) Department of Nuclear Safety -***

Tracts of land near Ottawa, Illinois were donated to the State more than 50 years ago for public purposes. Several years later, the State discovered that other parties had dumped radioactive waste on the land, before it was donated to the State. The State advised the United States Environmental Protection Agency (USEPA) of the situation and the land was transferred to the Department of Nuclear Safety for clean-up.

Although the State was not culpable for the creation of the hazard, federal law makes it, as the owner, a potentially responsible party along with the corporations that did the dumping. These corporations are defunct and in recognition of the State's lack of culpability, the USEPA has estimated the clean-up plan to cost $40 million. The USEPA has estimated the State's liability for the clean-up. The State has recorded this liability in the governmental activities statement of net assets in the amount of $17.5 million at June 30, 2003.

***(D) Installment Purchase Obligations -***

The State has acquired certain land, office facilities, office and computer equipment and other assets through installment purchase arrangements. Future commitments under installment purchase contracts as of June 30, 2003 are as follows:

Table 13-6 (amounts expressed in thousands)

| | Primary Government | | | | | Component Units | | |
|---|---|---|---|---|---|---|---|---|
| | Governmental Activities | | Business-type Activities | | | | | |
| Year Ending June 30 | Principal | Interest | Principal | Interest | Total | Principal | Interest | Total |
| 2004 | $ 10,283 | $ 907 | $ 28 | $ 2 | $ 11,220 | $ 291 | $ 69 | $ 360 |
| 2005 | 7,229 | 438 | 1 | -- | 7,668 | 422 | 81 | 503 |
| 2006 | 1,692 | 84 | -- | -- | 1,776 | 414 | 64 | 478 |
| 2007 | 483 | 25 | -- | -- | 508 | 377 | 51 | 428 |
| 2008 | 172 | 6 | -- | -- | 178 | 390 | 38 | 428 |
| 2009-2013 | -- | -- | -- | -- | -- | 821 | 35 | 856 |
| | $ 19,859 | $ 1,460 | $ 29 | $ 2 | $ 21,350 | $ 2,715 | $ 338 | $ 3,053 |

***(E) Cape Girardeau Bridge—State of Illinois/ State of Missouri Joint Agreement -***

The State of Illinois entered into an agreement with the State of Missouri for the construction of the Cape Girardeau Bridge. The agreement required that the State of Illinois reimburse the State of Missouri for 40% of the costs incurred for bridge construction. In accordance with a pre-established payment plan, the State of Illinois repays one-quarter of its annual obligation each year for four years following the year costs were incurred. Each year, the State of Missouri incurs costs and each year, the State of Illinois makes payments on costs incurred in prior years (unless such costs have been totally reimbursed) subject to the same one-quarter reimbursement arrangement. The State of Missouri assesses 5.3% interest on the unpaid balance.

As of June 30, 2003, the balance of the Illinois/Missouri Joint Agreement was $19.4 million and is included in the governmental activities financial statements. In subsequent years, this liability will be liquidated from future resources of the State Construction Account Fund, a major governmental fund. Future Illinois/Missouri Joint Agreement debt service requirements at June 30, 2003, are as follows:

Table 13-7 (amounts expressed in thousands)

| Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2004 | $ 7,721 | $ 1,026 | $ 8,747 |
| 2005 | 5,481 | 617 | 6,098 |
| 2006 | 3,964 | 326 | 4,290 |
| 2007 | 2,195 | 117 | 2,312 |
| | $ 19,361 | $ 2,086 | $ 21,447 |

***(F) Obligations to Lottery Prize Winners -***

The State has obligations to certain lottery prize winners for awards payable in annual installments ranging from nineteen years to the life of the prize winner, with the first payment being made after the claim is presented for payment. In addition, the State has fulfilled its obligations for certain other prize winners through the purchase of annuities under group contracts.

Prior to July 1985, the State purchased annuity contracts in the name of the prize winner through agreements with insurance companies which provide payments corresponding to the Lottery's obligation to the prize winner. The State would be contingently liable for such future payments if the insurance company defaulted on their payment obligation.

As the State has met its primary obligation for these future payments, the liability and corresponding value of the annuity contracts are not included in these financial statements. The present value of future installment payments owed to these prize winners approximates $4.2 million at June 30, 2003.

For certain prize winners, annuities were purchased in the name of the State for which the State has retained the rights of ownership. Effective July 30, 1985, State law provides that the State Treasurer, with the consent of the Director of the Lottery, may contract to invest in securities, which provide payments corresponding to the Lottery's obligation to these winners. The present value of these annuities and the related liabilities owed to prize winners, approximating $19.2 million, have been reported in the financial statements of the State Lottery Fund, a non-major enterprise fund.

In addition to the prize obligations discussed above, the State has provided for other payments corresponding to the Lottery's obligation to prize winners through the purchase of direct obligations of the federal government, primarily in the form of United States Treasury zero coupon bonds. As established by State law, such securities shall be maintained in the Deferred Lottery Prize Winners Trust Fund, a special trust fund separate and apart from all public money or funds of the State. These investments are purchased in amounts to provide for annual annuity payments to the prize winner(s) of each qualifying individual drawing. Since these monies are invested by the State on behalf of external legally separate entities (the prize winners), with specific investments being acquired for these individual entities for which the income from and changes in the value of the investments affect only the prize winners for whom they were acquired, in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Deferred Lottery Prize Winners Trust Fund is reported as an investment trust fund. The investments of the fund are reported at fair value, which approximated $1.17 billion at year-end and the fund balance is reported as reserved for external investment pool participants.

***(G) Illinois Student Assistance Commission -***

Tuition payable in the Illinois Prepaid Tuition Fund, a non-major enterprise fund, as of June 30, 2003, represents net principal payments received for contracts held by the fund in the amount of $347.3 million, of which $9.2 million is considered current. In addition, an accretion payable recorded in the same fund in the amount of $49.6 million of which $.7 million is considered current, is the present value of payments to be made in excess of the principal payments received from investments of the tuition contracts. The accretion expense is estimated as a percentage of net tuition costs paid to date.

The rate for fiscal year 2003 is 8.25% based on the actuarial reporting. The accretion expense is calculated on a monthly basis on the balance in the tuition payable account.

***(H) Other Obligations -***

**Primary Government - Governmental Activities**

The Tax Reform Act of 1986 requires issuers of state and local government bonds to rebate to the federal government arbitrage profits earned on those bonds under certain circumstances. In accordance with that, it was determined that there was an arbitrage rebate liability of $76 thousand as of June 30, 2003. The Build Illinois Bond Retirement and Interest Fund, a non-major governmental fund, is expected to be used to repay $76 thousand of the liability from future resources of this fund.

A lawsuit against the City of Chicago and the Illinois State Board of Education (ISBE) has resulted in a settlement requiring the ISBE to pay $19.25 million over seven years to Chicago Public School District #299 (District) to assist the District in providing special education services to identified eligible children within the least restrictive environment. The settlement, reached in June 1999, requires the ISBE to pay $2.75 million per year through January 2006. Payments to the District commenced in November 1999 but were frozen in March 2000, when the District failed to disburse an adequate amount of the ISBE's portion of the settlement for the intended purpose. The District's failure to disburse the funds resulted in a refund of $2.45 million to ISBE. Payments to the District resumed in January 2002. Beginning in fiscal year 2003, in an effort to eliminate the accumulation of funds by the District, payments were made based on expenditure reports submitted to ISBE. As of June 30, 2003, ISBE has paid $1.64 million to the District. The current year portion of the obligation is accounted for in ISBE Federal Department of Education Fund, a non-major governmental fund. As of June 30, 2003, the current year portion of the obligation is $12.11 million, which includes $1.11 million of the fiscal year 2000 obligation and $11.00 million for the full fiscal years 2001, 2002, 2003 and 2004 obligation. The long term portion of the obligation at June 30, 2003 was $5.50 million and is accounted for in the governmental activities financial statements.

The Department of Children and Family Services has a long-term awarded judgment of $2.45 million which has been accrued. The General Revenue Account, a sub-account of the General Fund, is expected to pay the judgment from future resources of the fund.

**Primary Government - Business-type Activities**

The Self Insurers' Security Fund, a non-major enterprise fund, has recorded a liability of $7.4 million for unpaid claims. This amount is the estimated future benefit payments for bankrupt companies. This liability is expected to be paid with current resources of the fund.

**Component Units**

The Illinois Housing Development Authority (IHDA) has loans throughout the State. Loans receivable in the Mortgage Loan Programs and the Affordable Housing Programs are secured by first mortgage liens on the related developments. Each development is subject to a regulatory agreement under which the IHDA has certain powers relating to rents, profits, occupancy, management and operations. Monies are required to be deposited in reserve accounts monthly by all mortgagors for real estate tax reserves and by substantially all mortgagors for insurance and replacement reserves.

The deposits from developers, which are held in escrow, may be used when necessary to pay principal and interest payments and fund construction cost overruns, change orders, tax and insurance payments and capital improvements. In addition, on certain developments, letters of credit and assignments of syndication proceeds are held by the IHDA for similar purposes and to fund potential operating deficits of the related developments. Investment income earned on deposited funds is credited to the respective developer's escrow accounts. As of June 30, 2003, the deposits in escrow were $150.4 million.

In addition, component units presented other miscellaneous obligations in the amount of $102.0 million. These obligations will be liquidated by the reporting component unit.

# 14 REFUNDINGS OF LONG-TERM OBLIGATIONS

### *(A) Advance Refundings*

During the year ended June 30, 2003, the State issued advanced refunding bonds to lower interest rates or to restructure debt service requirements for cash management purposes. General obligation bonds were issued to refund portions of earlier issues. The principal of the refunded bonds will be redeemed on various dates through 2010 at redemption prices ranging from 100% to 102%. Proceeds from the sales were placed in irrevocable trusts that are used to service the future debt requirements of the old debt. As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements of the State. At June 30, 2003, the outstanding balance of the defeased bonds was $516.3 million. Advance refunding bonds issued during fiscal year 2003 were as follows:

Table 14-1 (amounts expressed in millions)

| | Par Value of Refunding Issue | Refunding Issue Interest Rates | Par Value of Bonds Refunded | Interest Rates of Bonds Refunded | Debt Service Reduced by Refunding | Refunding Economic Gain/(Loss) | Accounting Gain/(Loss) |
|---|---|---|---|---|---|---|---|
| **Primary Government** | | | | | | | |
| **Governmental Activities** | | | | | | | |
| General Obligation - August 2002 | $ 564.9 | 3.00% to 5.50% | $ 574.1 | 5.00% to 6.25% | $ 51.7 | $ 33.4 | $ (44.9) |

### *(B) Current Refundings*

During the year ended June 30, 2003, the State issued current refunding bonds to lower interest rates and to restructure debt service requirements for cash management purposes. These special obligation and revenue bonds were issued to currently refund portions of earlier issues maturing on dates ranging from April 1, 2003 through June 15, 2003 at a redemption price of 102%. Current refunding bonds issued during fiscal year 2003 were as follows:

Table 14-2 (amounts expressed in millions)

| | Par Value of Refunding Issue | Refunding Issue Interest Rates | Par Value of Bonds Refunded | Interest Rates of Bonds Refunded | Debt Service Reduced by Refunding | Refunding Economic Gain/(Loss) | Accounting Gain/(Loss) |
|---|---|---|---|---|---|---|---|
| **Primary Government** | | | | | | | |
| **Governmental Activities** | | | | | | | |
| Special Obligation - December 2002 | $ 54.4 | 5.00% to 5.25% | $ 54.4 | 4.90% to 5.50% | $ 2.3 | $ 2.2 | $ (2.1) |
| Special Obligation - March 2003 | 75.8 | 5.00% to 5.25% | 77.1 | 5.25% | 2.9 | 2.9 | (3.3) |
| Total Governmental Activities | $ 130.2 | | $ 131.5 | | $ 5.2 | $ 5.1 | $ (5.4) |
| **Component Units:** | | | | | | | |
| Southern Illinois University - Series 2003A | $ 8.4 | 1.15% to 4.85% | $ 8.0 | 5.70% to 5.80% | $ 0.9 | $ 0.8 | $ (0.2) |
| Illinois State University - Series 2003 | 9.3 | 4.00% to 5.00% | 9.6 | 5.75% | 1.3 | 1.0 | (0.5) |
| Total Component Units | $ 17.7 | | $ 17.6 | | $ 2.2 | $ 1.8 | $ (0.7) |

### *(C) Prior Year Refundings*

In prior years, the State defeased certain callable maturities of general obligation, special obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. At June 30, 2003, the outstanding balances of prior year defeased bonds were as follows:

Table 14-3 (amounts expressed in thousands)

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Component Units |
| General obligation bonds | $ 271,820 | $ -- | $ -- |
| Special obligation bonds | 138,646 | -- | -- |
| Revenue bonds | -- | -- | 377,119 |
| | $ 410,466 | $ -- | $ 377,119 |

# 15 RETIREMENT SYSTEMS

***Plan Descriptions.*** The State of Illinois sponsors five public employee retirement systems ("PERS") that are included in the State's financial statements as pension trust funds. The General Assembly Retirement System ("GARS"), Judges' Retirement System ("JRS") and State Employees' Retirement System ("SERS"), are the administrators of single-employer defined benefit pension plans. The GARS, JRS and SERS are governed by articles 2, 18 and 14, respectively, of the Illinois Pension Code (40 ILCS 5/1, et. al.).

The Teachers' Retirement System ("TRS") is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan with "special funding situations." It provides coverage to teachers employed by public school districts in Illinois (excluding Chicago) even though most covered employees are not State employees. There are 890 local school districts, 141 special districts and 27 other State agencies that contribute to the TRS plan. At June 30, 2003, the TRS had outstanding receivables of $69 million for payroll deduction agreements with members for optional services, refund repayments and upgrade balances owed to the TRS.

The State Universities Retirement System ("SURS") is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan and a defined contribution plan. They also have "special funding situations." The SURS provides coverage to faculty and staff of State universities, community colleges and related agencies, of which, some covered employees are not State employees. There are 12 universities, 39 community colleges and 14 other State agencies that contribute to the SURS plan.

The State of Illinois is legally mandated to make contributions to the TRS and SURS. Because the State contributes most of the TRS and SURS employer contributions, the single employer provisions of GASB Statement 27 have been followed for reporting those systems in the statewide CAFR. The TRS and SURS are governed by articles 16 and 15, respectively, of the Illinois Pension Code.

Effective January 1, 1998, legislation established an alternative defined benefit program known as the Portable Benefit Option Plan within the SURS. This option is offered in addition to the existing traditional benefit option. All members who are eligible for the traditional benefit option are eligible for the portable option. New and existing members are provided a window period in which to make an irrevocable election. The portable option provides an enhanced refund at termination for those who leave SURS with at least five years of service. Offsetting this additional cost is the elimination of the survivor benefit package. This program is designed to be cost-neutral in relation to the traditional option. Approximately 15,500 of the approximately 78,700 members have chosen this option.

Legislation, effective January 1, 1998, also required the SURS to offer a Self-Managed Plan. This is a defined contribution plan and is offered to employees of all SURS employers who elect to participate. All but two SURS employers participate in the Self-Managed Plan. The contribution rate is 8% of their gross earnings. It is a qualified money purchase plan under Section 401(a) of the Internal Revenue Code. The assets are maintained under a trust administered by the SURS Board of Trustees in accordance with the Illinois Pension Code. 7,480 of the approximately 78,700 members have chosen this option. $190.5 million of the $9.9 billion total assets relate to the Self-Managed Plan. Plan member contributions were $29.6 million and employer contributions were $24.8 million for the year ended June 30, 2003.

Each of the five State-sponsored retirement systems provide retirement, death and disability benefits to members and beneficiaries. Each plan also issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the plan as follows:

- General Assembly Retirement System and Judges' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217)782-8500.
- State Employees' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217)785-2340.
- Teachers' Retirement System, 2815 West Washington Street, PO Box 19253, Springfield, Illinois, 62794-9253, (217)753-0311.
- State Universities Retirement System, 1901 Fox Drive, Champaign, Illinois, 61820-7333, (217)378-8800.

***Funding Policy and Annual Pension Cost.*** Member contributions are based on fixed percentages set by statute ranging from 4.0% to 11.5%. The State's funding requirements have been established by statute (Public Act 88-593) effective July 1, 1995 and provide for a systematic 50-year funding plan with an ultimate goal to achieve "90% funding" of the systems' liabilities. In addition, the funding plan provides for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Once the 15-year phase-in period is complete, the State's contribution will then remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved. As illustrated in Table 15-1, the State met its funding requirement established by *statutory law* for the fiscal year ended June 30, 2003. Actual contributions varied slightly from contributions required by statute mainly because of differences between estimated and actual federal contributions. In addition for TRS, the annual contribution required per statute is the State funding requirement certified before Public Act 92-505 was enacted. This act allowed school districts to reduce their contributions to TRS by the amount they contribute to the Teachers' Health Insurance Security Fund. The act was effective January 1, 2002 through June 30, 2003.

The current statutory law includes a "continuing appropriation," which means that the State must automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly's appropriation process.

This statutory funding requirement differs significantly from the annual pension cost ("APC") because the statutory plan does not conform with the GASB Statement 27 accounting parameters. The State's APC for the current year and related information for each plan are included in Table 15-1.

Table 15-1 (amounts expressed in thousands)

| | GARS | JRS | SERS | TRS | SURS |
|---|---|---|---|---|---|
| Actuarially required contribution ("ARC") | $ 7,752 | $ 53,471 | $ 449,349 | $ 1,427,519 | $ 597,545 |
| Plus: Interest on net pension obligation ("NPO") | 4,135 | 23,940 | 90,533 | 753,776 | 369,669 |
| Adjustment to the ARC | (2,369) | (13,716) | (66,517) | (419,507) | (218,128) |
| Annual pension cost ("APC") | 9,518 | 63,695 | 473,365 | 1,761,788 | 749,086 |
| Employer contributions | 5,434 | 31,440 | 396,067 | 970,845 | 285,264 |
| Increase in NPO | 4,084 | 32,255 | 77,298 | 790,943 | 463,822 |
| NPO at June 30, 2002 | 51,694 | 299,245 | 1,065,092 | 8,867,949 | 4,349,046 |
| NPO at June 30, 2003 | $ 55,778 | $ 331,500 | $ 1,142,390 | $ 9,658,892 | $ 4,812,868 |
| | | | | | |
| Required contribution amounts/rates: | | | | | |
| * Statutory required contribution - State | $ 5,163 | $ 31,373 | $ 375,616 | $ 963,858 | $ 285,264 |
| Members | 11.5% | 11% | 4% - 11.5% | 9% | 8% - 9.5% |
| Actuarial valuation date | 6/30/2003 | 6/30/2003 | 6/30/2003 | 6/30/2003 | 6/30/2003 |
| Actuarial cost method | Proj. Unit Credit | Proj. Unit Credit | Proj. Unit Credit | Proj. Unit Credit | Proj. Unit Credit |
| Amortization method | Level % of pay | Level % of pay | Level % of pay | Level % of pay | Level % of pay |
| Remaining amortization period | 40 years. Open | 40 years. Open | 40 years. Open | 40 years. Open | 40 years. Open |
| Asset valuation method | Fair value | Fair value | Fair value | Fair value | Fair value |
| Actuarial assumptions: | | | | | |
| Investment rate of return | 8% | 8% | 8.5% | 8.5% | 8.5% |
| Projected salary increases | 6.5% | 5.5% | 1% - 7% | 5.9% - 10.1% ** | 5.5%-9.5% |
| Postretirement benefit increases | 3% | 3% | 3% | 3% | 3% |
| Inflation rate | 4% | 4% | 3% | 3.5% | 3% |

* Public Act 88-593 provides for 50-year funding including 15-year phase-in of employer contributions as a percentage of active member payroll increasing until fiscal year 2010, and remaining at that level until fiscal year 2045 when the Systems' funded ratios will be 90%.

** Composite, approximately 7.0%

***Trend Information***. The annual pension cost, the percentage of annual pension cost contributed for the year and the net pension obligation at the end of the year are presented in the following Table 15-2:

Table 15-2 (amounts expressed in thousands)

| | | GARS | JRS | SERS | TRS | SURS |
|---|---|---|---|---|---|---|
| **Annual Pension Cost ("APC")** | | | | | | |
| | **6/30/2001** | $ 8,171 | $ 51,613 | $ 316,739 | $1,386,289 | $ 464,983 |
| | **6/30/2002** | $ 8,747 | $ 57,364 | $ 329,655 | $1,474,196 | $ 578,734 |
| | **6/30/2003** | $ 9,518 | $ 63,695 | $ 473,365 | $1,761,788 | $ 749,086 |
| **% of APC Contributed** | | | | | | |
| | **6/30/2001** | 52.77% | 47.18% | 115.56% | 56.15% | 53.15% |
| | **6/30/2002** | 53.98% | 48.00% | 117.13% | 58.47% | 44.26% |
| | **6/30/2003** | 57.09% | 49.36% | 83.67% | 55.11% | 38.08% |
| **Net Pension Obligation** | | | | | | |
| | **6/30/2001** | $47,669 | $269,413 | $1,121,554 | $8,255,642 | $4,026,436 |
| | **6/30/2002** | $51,694 | $299,245 | $1,065,092 | $8,867,949 | $4,349,046 |
| | **6/30/2003** | $55,778 | $331,500 | $1,142,390 | $9,658,892 | $4,812,868 |

## 16 POST-EMPLOYMENT BENEFITS

The State provides health, dental and life insurance benefits for certain retirees and their dependents. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health and dental benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to $5,000 per annuitant age 60 and older. The total cost of all members, including post-employment health and dental, and life insurance benefits, is recognized as an expenditure in the accompanying financial statements as claims are reported and are financed on a pay-as-you-go basis. For fiscal year 2003, the cost of providing post-employment health and dental benefits and life insurance benefits for the approximately 92,800 retirees and their dependents was estimated to be $348.9 million and $13.2 million, respectively.

The State also provides health insurance benefits to non-State employees who are annuitants of the Teachers' Retirement System (TRS). Funding is provided by a one-half of one percent contribution from active teachers and matching appropriations from the State to pay the subsidy portion of participating annuitants. Persons enrolling in TRS managed care or residing in areas with no managed care receive a 75% premium subsidy. All others receive a 50% subsidy. At June 30, 2003, there were approximately 40,400 TRS annuitants enrolled in the health plan. Payments into this plan by the annuitants as well as the state subsidy were approximately $91.5 million for the year ended June 30, 2003. The teachers' health insurance program is administered by the Illinois Department of Central Management Services (CMS) and is accounted for in the Teachers' Health Insurance Security Fund, a non-major enterprise fund. TRS is responsible for program enrollment and eligibility determination. CMS is responsible for providing information and consultation to plan participants.

## 17 FUND DEFICITS

**Primary Government**

*Major Governmental Funds*

The State's General Fund, from which a significant portion of day to day operating expenditures are paid, has a GAAP deficit aggregating $4.166 billion at June 30, 2003, although the budgetary basis fund deficit at that date was $1.094 billion. This deficit results from a substantial decrease in current year revenues due to the economy in addition to the recognition of fund liabilities significantly in excess of accrued revenues.

*Non-major Governmental Funds*

The DHS Special Purposes Trust Fund of the Department of Human Services has a deficit at June 30, 2003, aggregating $1.8 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Community Mental Health Medical Fund of the Department of Human Services has a deficit at June 30, 2003, aggregating $6.3 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Maternal and Child Health Services Block Grant Fund of the Department of Human Services has a deficit at June 30, 2003, aggregating $1.2 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Special Education Medicaid Matching Fund of the Department of Public Aid has a deficit at June 30, 2003, aggregating $29.5 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Public Assistance Recoveries Trust Fund of the Department of Public Aid has a deficit at June 30, 2003, aggregating $2.0 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Local Government Tax Fund of the Department of Revenue has a deficit at June 30, 2003, aggregating $3.6 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Illinois Tax Increment Fund of the Department of Revenue has a deficit at June 30, 2003, aggregating $.5 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Federal/Local Airport Fund of the Department of Transportation has a deficit at June 30, 2003, aggregating $1.2 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Services for Older Americans Fund of the Department on Aging has a deficit at June 30, 2003, aggregating $.1 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Drivers Education Fund of the State Board of Education has a deficit at June 30, 2003, aggregating $9.7 million, resulting from reimbursement to school districts for drivers education program costs incurred in the current year but not paid until the subsequent year.

The Federal Department of Agriculture Fund of the State Board of Education has a deficit at June 30, 2003, aggregating $3.7 million, resulting from program costs incurred in the current year but not paid until the subsequent year.

The Federal Department of Education Fund of the State Board of Education has a deficit at June 30, 2003, aggregating $14.2 million, resulting from a liability recorded due to a lawsuit settlement during fiscal year 2003.

The Rate Adjustment Fund of the Illinois Industrial Commission has a deficit at June 30, 2003, aggregating $13.0 million, resulting from program costs in excess of charges for services.

The Build Illinois Bond Fund of the Department of Commerce and Community Affairs has a deficit at June 30, 2003, aggregating $35.8 million, resulting from recognition of fund liabilities in excess of bond issuances.

The Capital Development Fund of the Capital Development Board has a deficit at June 30, 2003, aggregating $22.2 million, resulting from recognition of fund liabilities in excess of bond issuances.

The School Construction Fund of the Capital Development Board has a deficit at June 30, 2003, aggregating $12 thousand, resulting from recognition of fund liabilities in excess of bond issuances.

The above Governmental Funds' deficits will be eliminated by future revenue increases and/or expenditure reductions in the following year(s).

*Non-major Proprietary Funds*

The Prepaid Tuition Fund of the Illinois Student Assistance Commission has a deficit at June 30, 2003, aggregating $53.8 million, resulting from program costs incurred since the inception of the program which will be paid in subsequent years.

**Component Units**

The Illinois Grain Insurance Corporation has a deficit at June 30, 2003, aggregating $2.6 million, resulting from claim expenditures in excess of assessments in previous fiscal years.

# 18 RISK MANAGEMENT

**Primary Government:**

The State is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation and natural disasters. The State retains the risk of loss (i.e. self insured) for these risks except minimal commercial insurance. There were no significant reductions in insurance coverage from the prior fiscal year. The amount of settlements has not exceeded insurance coverage in the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are based upon the estimated ultimate cost of settling the claims including specific, incremental claim adjustment expenses, salvage, and subrogation and considering the effects of inflation and recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using an interest rate of 4.958% which is the average interest rate for fiscal year 2003 general obligation debt issues.

The State's risk financing of auto liability has been determined using an estimate of claims outstanding. The liability is expected to be paid from future resources of the General Fund and Road Fund in the amount of $4.2 million and $3.7 million, respectively.

The workers compensation liability has been determined using claims outstanding and a projection of claims to be submitted, based upon prior years experience of the State. Claims that will be liquidated with expendable available financial resources have been recorded as a liability in the General Fund, the Road Fund and the Mental Health Fund (a non-major governmental fund), in the amounts of $4.4, $2.6 and $2.5 million, respectively. The remaining portion of the liability, $126.8 million as of June 30, 2003, is included in the government-wide financial statement. Of this liability, $63.9, $30.9 and $32.0 million are expected to be paid from future resources of the General Fund, the Road Fund and the Mental Health Fund, respectively

The following is a reconciliation of the State's claims liabilities for the year ended June 30, 2003:

Table 18-1 (amounts expressed in thousands)

| | Changes in Claims Liability Balances | | | |
|---|---|---|---|---|
| Year Ended June 30 | Beginning Balance, as Restated | Claims Incurred | Decreases | Ending Balance |
| Primary Government-Governmental Activities: | | | | |
| 2002 | $139,952 | $ 67,704 | $ 67,213 | $140,443 |
| 2003 | $140,443 | $ 82,651 | $ 78,906 | $144,188 |
| Component Units, (Information for the Toll Highway Authority is as of December 31): | | | | |
| 2002 | $ 97,424 | $ 38,754 | $ 27,267 | $107,911 |
| 2003 | $107,911 | $ 48,560 | $ 39,248 | $117,223 |

The State administers the following public entity risk pools for non-state employers: 1) the Local Government Health Insurance Reserve Fund offers a health insurance program to local governments for its employees and retirees, 2) the Teacher Health Insurance Security Fund offers health insurance to school districts for its teachers and retirees and 3) the Community College Health Insurance Security Fund offers health insurance to community college retirees and their dependent beneficiaries. These funds are presented as non-major enterprise funds in the State's CAFR. Detailed information on these programs can be obtained from the Department of Central Management Services, Division of Risk Management, 604 Stratton Office Building, Springfield, Illinois, 62706, which administers the plans. The Financial audit report for the Department of Central Management Services includes fund financial statements and the required pool supplementary disclosures for these three plans.

**Component Units**

The Toll Highway Authority, a major component unit, records an accrued self-insurance liability which covers workers' compensation liability and auto liability. The Authority accrued self-insurance liability was $4.5 million at December 31, 2002.

Southern Illinois University, a major component unit, records an accrued self-insurance liability which covers general and professional liability and limited student health care liability in excess of costs not covered by other primary provider plans. The University's accrued self-insurance liability was $21.8 million at June 30, 2003.

The University of Illinois, a major component unit, records an accrued self-insurance liability which covers hospital patient liability, hospital and medical professional liability, estimated general and contract liability, and workers' compensation liability related to employees paid by the University. The University's accrued self-insurance liability was $91.0 million at June 30, 2003.

Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois have contracted with commercial carriers to provide excess insurance coverage. These coverages have been considered in determining the accrued self-insurance liability where applicable. There were no settlements which exceeded insurance coverage during the last three years.

The non-major component unit universities carry excess general liability coverage. The deductible portion of this coverage is covered by the State University Risk Management Association, a self-insurance pool.

## 19 *COMMITMENTS AND CONTINGENCIES*

***(A) Construction Commitments***

The Department of Transportation has outstanding construction commitments for highway improvement programs of $1,286.5 million as of June 30, 2003. These commitments will be financed through State reappropriations, with $859.1 million available for federal reimbursement. Also, the Capital Development Board has outstanding construction commitments for building and building additions and improvements of $330.3 million as of June 30, 2003, which will be financed through State reappropriations. The Illinois State Toll Highway Authority, reported on a December 31st year end, has entered into commitments for road construction of $140.0 million as of December 31, 2002. Chicago State University, Southern Illinois University, and the University of Illinois have outstanding construction commitments for various building and building improvement projects of $20.9, $10.4, and $164.8 million, respectively.

***(B) Protested Taxes***

The State of Illinois has $206 million in protested tax cases which have not been adjudicated at June 30, 2003. The ultimate disposition of these cases is not determinable at this time.

***(C) Federal Disallowance***

In December 1994, the Centers for Medicare and Medicaid Services (CMS, formerly known as Health Care Financing Administration) informed the State that there is a potential disallowance of federal financial participation of $112 million related to the fiscal year 1993 Nursing Home Assessment. On June 15, 2000, CMS provided a draft audit report that indicated that the State owes $89.6 million and gave the State until July 14, 2000 to respond. The State's Department of Public Aid responded on July 14, 2000, challenging CMS's draft report. On December 19, 2000, CMS issued its final report, which recommended that the State repay $89.6 million within 30 days. The final report further stated

that if repayment was not made within 30 days, a formal disallowance would be issued. On January 19, 2001, a formal disallowance was issued.

The Department filed an appeal of the disallowance before the U.S. Department of Health and Human Services Department Grant Appeals Board on February 16, 2001. While the appeal is pending, repayment need not be made, although interest will accrue on any portion that the State may have to repay. Requests for a stay have been filed by both the Department and CMS in order for the State to pursue a settlement. Any settlement repayments of or offsets to the federal financing participation would not likely occur until fiscal year 2004 at the earliest.

***(D) Federal Funding***

The State receives federal grants which are subject to review and audit by federal grantor agencies. Certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At June 30, 2003, other than those identified in note 19(C) above, there were no material questioned costs that have not been resolved with the federal awarding agencies. However, questioned costs could still be identified during audits to be conducted in the future. Management of the State believes there will be no material adjustments to the federal grants and, accordingly, has not recorded a provision for possible repayment.

***(E) Tobacco Settlement***

A Master Settlement Agreement (MSA) was executed in November of 1998 between five tobacco companies and 46 states, including the State of Illinois. The MSA called for, among other things, the payment of more than $200 billion allocated to the states in installments payable until the year 2025 with additional payments continuing thereafter in perpetuity. The Illinois share is expected to be $9.1 billion through 2025. The payments are subject to various adjustments such as those for volume shipped, inflation, and the success of litigation by other governmental units and could amount to less than the expected amounts. Various aspects of the MSA have been challenged in court both locally and nationally and the State has been awarded punitive damages of $3 billion in a private case in which the State was not a party. This decision has been appealed and the defendant states it may go bankrupt if it is not given relief from the appeal bond requirement. Because of the novelty of the MSA and of the many related claims and because of the uncertainty inherent in calculation under the MSA, it is not possible to accurately predict the amount of money that will actually be received by the State with reasonable certainty. The State received $350, $268, $312 and $319 million in fiscal years 2000, 2001, 2002 and 2003, respectively, and $270 million through April 28, 2004.

***(F) Other Legal Proceedings***

The State, its units and employees are party to numerous legal proceedings, many of which normally recur, in governmental operations. In addition, the State and its units are involved in certain other legal proceedings, which, if decided adversely to the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on future expenditures or revenue sources.

***(G) Illinois Housing Development Authority Bonds (IHDA)***

The IHDA, a component unit of the State, has a portion of its general obligation bonds that are moral obligations of the State. In the event that the IHDA determines that funds will not be sufficient for the payment of principal and interest on these bonds, the Chairman of the IHDA shall certify to the Governor as soon as practicable the amount required by the IHDA to enable it to pay such principal and interest. The Governor shall include the amount so certified in the State budget; however, the General Assembly has no obligation to appropriate funds to IHDA.

As of June 30, 2003, the outstanding balance of bonds, which the State is morally obligated to repay is $308.6 million.

***(H) Metropolitan Pier and Exposition Authority (McCormick Place)***

The Authority is authorized by the Metropolitan Pier and Exposition Authority Act to issue bonds in the principal amount of $312.5 million, excluding refunding bonds issued after January 1, 1986. These bonds were issued (1) to pay construction costs of completing the McCormick Place expansion, (2) to pay the construction costs of projects authorized by the Illinois General Assembly in the future, (3) to refund any outstanding bonds of the McCormick Place that were issued prior to July 1, 1984 and (4) to provide for the acquisition and improvement of Navy Pier in Chicago. In order to provide funding for the debt service requirements on these bonds, the Illinois General Assembly amended tax laws to provide for 1.75% of total State sales tax revenues, 3% of 94% of total hotel room rental receipts, and $1.7 million per year out of 7% of State racing tax revenues to be deposited into the Build Illinois Fund (a non-major governmental fund). Within the Build Illinois Fund are credits to separate accounts, of which one is the "McCormick Place Account" and has first priority credit of the amounts collected.

The bonds are special obligations of the Authority and are payable from and secured by a pledge of revenues derived from dedicated state taxes, discussed above, imposed and collected by the State of Illinois. For State fiscal years in which these bonds are outstanding, the State shall transfer from the McCormick Place Account in the Build Illinois Fund to the Metropolitan Fair and Exposition Authority Improvement Bond Fund (a non-major governmental fund) an amount equal to 150% of the Authority's certified amount for that fiscal year divided by the number of months during that fiscal year in which bonds of the Authority are outstanding. The maximum amount in any fiscal year shall not exceed $33.5 million or a lesser sum as is actually necessary and required to pay the debt service requirements for that fiscal year after giving effect to net operating revenues of the Authority available for that purpose as certified by Authority. During fiscal year 2003, debt service requirements were $31.6 million. However, the amount paid to the Authority based on their annual certification was $31.0 million, which is below the authorized amount of $33.5 million.

The Authority is also authorized to issue an additional $2,107 million of bonds (excluding refunding bonds) which were used to finance the McCormick Place expansion and certain other improvements to its facilities and Navy Pier. These bonds are special, limited obligations of the Authority and are payable from and secured by a pledge of revenues derived from Authority taxes and State sales tax deposits. For State fiscal years when these bonds are outstanding, monthly deposits of Authority taxes to the McCormick Place Expansion Project Fund (a non-major governmental fund) are required to be made in an amount equal to 1/8 of the annual debt service as specified in the Authority's Annual Certification plus any prior months' deficiencies in transfers. To the extent that Authority taxes are not sufficient to satisfy the requirements of the Authority's Annual Certification, State sales taxes are deposited into the McCormick Place Expansion Fund. The maximum amount that can be deposited into the McCormick Place Expansion Project Fund from the State sales taxes shall not exceed $99 million in fiscal year 2003, $103 million in fiscal year 2004, $108 million in fiscal year 2005, $113 million in fiscal year 2006, $119 million in fiscal year 2007 and graduating to $275 million in fiscal year 2023 until fiscal year 2042. During fiscal year 2003, debt service requirements for these bonds were $89.0 million. The amount paid to the Authority based on their annual certification was $88.9 million. During fiscal year 2003, only deposits from the Authority's taxes were used to pay to the Authority for the debt service requirements, the State sales tax was not required.

***(I) Regional Transportation Authority (RTA)***

The RTA was authorized by the Regional Transportation Authority Act to issue bonds in

the principal amount of $100 million on or after January 1, 1990 and increasing $100 million per year until January 1, 1994, for a total authorization of $500 million used for Strategic Capital Improvement Projects (SCIP). Effective July 1, 1999, Public Act 91-37 authorized the RTA to issue additional bonds in the principal amount of $260 million on or after January 1, 2000 and increasing $260 million per year until January 1, 2004 for an additional authorization of $1,300 million to be used for SCIP. Public Act 91-37 also authorized the issuance of refunding SCIP bonds. The proceeds of SCIP bonds were used to acquire, repair or replace public transportation facilities in the metropolitan region as approved by the Governor.

The bonds are general obligations of the RTA to which the full faith and credit of the RTA is pledged. However, for State fiscal years in which the SCIP bonds are outstanding, the State's assistance shall be transferred monthly from the General Fund to the Public Transportation Fund (a non-major governmental fund) for payment in amount equal to the lesser of monthly debt service on the SCIP bonds, or one-twelfth of the amount of the State's assistance as provided in the authorization. The authorization currently provides for $55 million each year with an additional $54 million in fiscal year 2003, $73 million in fiscal year 2004, $93 million in fiscal year 2005, and $100 million each fiscal year thereafter. During fiscal year 2003, the State provided $60.8 million to the RTA, which is below the authorized amount of $109 million. Although the amount of the State's assistance is measured by the debt service on the SCIP bonds, the assistance is not pledged for payment of, or security for, the SCIP bonds. The State's assistance is paid directly to the Authority and may be spent by the Authority at its discretion.

***(J) Illinois Sports Facilities Authority (Authority)***

The Authority was authorized by the Illinois Sports Facilities Act to issue bonds and notes in the principal amount not to exceed 1) $150 million in connection with facilities owned by the Authority, 2) $399 million in connection with facilities owned by a governmental owner other than the Authority and 3) to refund, advance refund or refinance any of its bonds then outstanding.

The bonds are secured by payments from the Illinois Sports Facilities Fund (a non-major governmental fund) from collections of 1) the State's Hotel Operator's Occupation Tax in an amount equal to the applicable advance amount plus $5 million and 2) the City of Chicago's share of the Local Government Distributive Fund (a non-major governmental fund) in the amount of $5 million. This advance amount is required to be repaid by the Authority from collections of the Authority's Hotel Tax to the State's General Fund by the end of the fiscal year. In the event of a deficiency in the Hotel Tax, amounts otherwise payable to the City of Chicago from the Local Government Distributive Fund should be used for the repayment.

Annually, the Authority is required to certify to the State Comptroller and the State Treasurer their requirements for the next fiscal year. This certification shall be the lesser of 1) the advance amount plus $10 million and 2) the amount to pay principal and interest and other payments relating to its obligations issued or to be issued during the fiscal year plus the amount anticipated to pay obligations under provisions of any management agreement with respect to facilities owned by the Authority or any assistance agreement with respect to any facility for which financial assistance is provided under the Act plus an amount to pay other capital or operating expenses of the Authority. Under this formula, the maximum advance amount for fiscal year 2003 was $23.425 million plus $10 million for a total of $33.425 million. The Authority's annual certification for fiscal year 2003 was in the amount of $29.166 million, which is below the maximum amount authorized. Payments related to the annual certification, which are subject to appropriation by the General Assembly, were paid to the Authority. The Authority repaid the advance amount by the end of the fiscal year.

In future years, the advance amount increases by 105.615% of the preceding advance amount through fiscal year 2032. Including the additional $10 million, the maximum which

could be certified each year is $34.741 million in fiscal year 2004, $36.131 million in fiscal year 2005, $37.599 million in fiscal year 2006, $39.149 million in fiscal year 2007 and graduating to $124.252 million in fiscal year 2032. Of these amounts, only $5 million per year is the State's share.

### *(K) Southwestern Illinois Development Authority (SWIDA) Revenue Bonds*

The SWIDA, which is a component unit of the State, has issued revenue bonds. The proceeds of these bonds were loaned to several companies for the acquisition of land and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by SWIDA loan agreements with the companies. These bonds bear interest at rates ranging from 4.15% to 9.25% and mature annually through 2021. The State has accepted a moral obligation to repay the bonds in the event the SWIDA and the companies are unable to meet the bonds' repayment commitments.

As of June 30, 2003 the outstanding balance of bonds, which the State is morally obligated to repay, is $71.3 million.

### *(L) Upper Illinois River Valley Development Authority (UIRVDA) Revenue Bonds*

The UIRVDA, which is a component unit of the State, has issued revenue bonds. The proceeds of which were loaned to various companies to provide permanent financing for the acquisition and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by an assignment and a pledge of revenues derived from a separate loan agreement between the UIRVDA and these companies. These bonds mature annually through 2030 and bear interest in varying rates between 5.90% and 8.85%. The State has accepted a moral obligation to repay the bonds in the event the UIRVDA and the companies are unable to meet the bonds' repayment commitments.

At June 30, 2003 the outstanding balance, which the State is morally obligated to repay, is $24.4 million.

### *(M) Illinois Housing Development Authority Loans*

The Illinois Housing Development Authority has entered into commitments aggregating $70.3 million for the purchase of various home loans as of June 30, 2003.

This Page Left Intentionally Blank

# 20 SEGMENT INFORMATION

**COMPONENT UNITS**

Segments are identifiable activities reported as or within a component unit for which bonds or other debt is outstanding and a revenue stream has been pledged in support of that debt. In addition, to qualify as a segment, an activity must be subject to an external requirement to separately account for the revenues, expenses, gains and losses, assets and liabilities of the activity. All of the activities reported in the condensed financial information meet these requirements. The following paragraphs describe the various component units' segments.

**Illinois State University (ISU).** ISU has issued revenue bonds with the net revenues pledged to pay the bond interest and principal. The Auxiliary Facilities System segment operates student housing, student activities and parking.

**Northern Illinois University (NIU).** NIU has issued revenue bonds with the net revenues pledged to pay the bond interest and principal. The Auxiliary Facilities System segment is comprised of university owned housing units, student union, recreation and athletic facilities and similar auxiliary service units, including parking.

**Southern Illinois University (SIU).** SIU has issued revenue bonds with the net revenues from two segments pledged to pay the bond interest and principal. The Housing and Auxiliary Facilities System segment is comprised of university owned housing units, student centers, recreation and athletic facilities and similar auxiliary enterprise units. The Medical Facilities System segment is comprised of clinical facilities used to provide patient care at the School of Medicine in Springfield.

**University of Illinois (U of I).** U of I has issued revenue bonds with the net revenues from three segments pledged to pay the bond interest and principal. The Auxiliary Facilities System segment is comprised of university owned housing units, student unions, recreation and athletic facilities and similar auxiliary service units, including parking. The Health Services Facilities System segment is comprised of the U of I Hospital and associated clinical facilities providing patient care. The Willard Airport Facility segment is comprised of land, hangers, a terminal building, parking lots, runways and related apron areas.

The following are the condensed financial statements at June 30, 2003 for the segments described above:

Table 20-1 (amounts expressed in thousands)

| | Illinois State University | Northern Illinois University |
|---|---|---|
| | Auxiliary Facilities System | Auxiliary Facilities System |
| **Condensed Statement of Net Assets:** | | |
| **Assets** | | |
| Current assets | $ 18,553 | $ 24,691 |
| Noncurrent assets: | | |
| Capital assets, net of accumulated depreciation | 78,900 | 115,552 |
| Other noncurrent assets | 28,200 | 2,567 |
| **Total assets** | 125,653 | 142,810 |
| **Liabilities** | | |
| Current liabilities | 7,539 | 10,093 |
| Noncurrent liabilities | 58,001 | 119,696 |
| **Total liabilites** | 65,540 | 129,789 |
| **Net Assets** | | |
| Invested in capital assets, net of related debt | 27,650 | (9,484) |
| Restricted-other expendable purposes | 8,245 | |
| Unrestricted | 24,218 | 22,505 |
| **Total net assets** | $ 60,113 | $ 13,021 |
| **Condensed Statement of Revenues, Expenses and Changes in Net Assets:** | | |
| Operating revenues | $ 56,249 | $ 60,055 |
| Operating expenses | (44,860) | (47,286) |
| Depreciation expense | (3,353) | (2,830) |
| Operating income (loss) | 8,036 | 9,939 |
| Nonoperating revenues (expenses) | (2,641) | (5,983) |
| Capital and endowment additions | | |
| **Increase in net assets** | 5,395 | 3,956 |
| Net assets (deficit), July 1, 2002-as previously reported | 56,083 | 9,065 |
| Prior period adjustment | (1,365) | |
| Net assets (deficit), July 1, 2002-as restated | 54,718 | 9,065 |
| **Net assets (deficit), June 30, 2003** | $ 60,113 | $ 13,021 |
| **Condensed Statement of Cash Flows:** | | |
| Net cash flows provided by operating activities | $ 10,768 | $ 12,572 |
| Net cash flows provided by noncapital financing activities | 208 | |
| Net cash flows provided (used) by capital and related financing activities | 756 | (30,282) |
| Net cash flows provided (used) by investing activities | 1,433 | 14,400 |
| Net increase (decrease) in cash and cash equivalents | 13,165 | (3,310) |
| Cash and cash equivalents, July 1, 2002 | 879 | 15,306 |
| **Cash and cash equivalents, June 30, 2003** | $ 14,044 | $ 11,996 |

Table 20-1 (continued)

| Southern Illinois University | | University of Illinois | | |
|---|---|---|---|---|
| Housing and Auxiliary Facilities System | Medical Facilities System | Auxiliary Facilities System | Health Services Facilities System | Willard Airport Facility |
| $ 39,417 | $ 3,027 | $ 227,023 | $ 98,947 | $ 3,090 |
| 75,010 | 13,761 | 429,337 | 173,111 | 31,441 |
| 19,796 | 2,412 | 45,354 | 4,499 | 23 |
| 134,223 | 19,200 | 701,714 | 276,557 | 34,554 |
| 15,158 | 1,270 | 56,338 | 42,547 | 1,708 |
| 130,051 | 17,212 | 546,629 | 92,593 | 1,188 |
| 145,209 | 18,482 | 602,967 | 135,140 | 2,896 |
| (46,785) | (1,813) | 3,979 | 98,823 | 30,067 |
| 24,988 | 2,856 | 22,649 | 28 | 493 |
| 10,811 | (325) | 72,119 | 42,566 | 1,098 |
| $ (10,986) | $ 718 | $ 98,747 | $ 141,417 | $ 31,658 |
| $ 59,362 | $ 21,725 | $ 201,703 | $ 423,878 | $ 2,078 |
| (57,040) | (24,666) | (171,831) | (401,488) | (2,560) |
| (3,259) | (718) | (13,715) | (14,477) | (1,470) |
| (937) | (3,659) | 16,157 | 7,913 | (1,952) |
| 1,884 | 3,582 | (5,516) | 272 | 647 |
| | | | | 3,299 |
| 947 | (77) | 10,641 | 8,185 | 1,994 |
| (11,933) | 795 | 80,119 | 144,503 | 29,664 |
| | | 7,987 | (11,271) | |
| (11,933) | 795 | 88,106 | 133,232 | 29,664 |
| $ (10,986) | $ 718 | $ 98,747 | $ 141,417 | $ 31,658 |
| $ 9,468 | $ 503 | $ 42,579 | $ 24,125 | $ 52 |
| 877 | | 676 | 4,520 | 524 |
| (13,658) | (1,339) | (18,371) | (20,950) | (774) |
| 3,840 | 98 | (17,416) | (1,083) | 69 |
| 527 | (738) | 7,468 | 6,612 | (129) |
| 27,452 | 2,311 | 57,909 | 19,237 | 2,107 |
| $ 27,979 | $ 1,573 | $ 65,377 | $ 25,849 | $ 1,978 |

# 21 SUBSEQUENT EVENTS

**General Obligation, Special Obligation and Revenue Bonds and Notes:**

Subsequent to June 30, 2003, the following general obligation, special obligation and revenue bonds, notes and certificates of participation have been issued:

Table 21-1 (amounts expressed in millions)

| Series | Date of Issue | Amount of Issue | Interest Rates | Annual Maturity To |
|---|---|---|---|---|
| **Primary Government:** | | | | |
| **Governmental Activities:** | | | | |
| General obligation bonds: | | | | |
| October, 2003-Series A | 10/30/2003 | $ 363.0 | 2.50% to 5.25% | 2020 |
| October, 2003-Series B | 10/30/2003 | $ 600.0 | Variable | 2033 |
| March, 2004-Series A | 4/1/2004 | $ 484.4 | 5.00% | 2034 |
| March, 2004-Series B (refunding issue) | 4/1/2004 | $ 344.8 | 5.00% | 2014 |
| Special obligation bonds: | | | | |
| July, 2003 (Build Illinois) | 7/24/2003 | $ 150.0 | 4.00% to 5.25% | 2028 |
| March, 2004 (Build Illinois) | 3/4/2004 | $ 200.0 | 2.00% to 5.00% | 2028 |
| **Business-type Activities:** | | | | |
| Designated Account Purchase Program: | | | | |
| Taxable Student Loan Revenue Bond | | | | |
| Senior Series III-1 | 10/2/2003 | $ 17.8 | Variable | 2006 |
| Senior Series III-2 | 10/2/2003 | $ 32.7 | Variable | 2011 |
| Senior Series IV-1, IV-2, IV-3 | 10/2/2003 | $ 264.5 | Variable | 2043 |
| Subordinate Series V | 10/2/2003 | $ 35.0 | Variable | 2043 |
| **Component Units:** | | | | |
| Bonds payable: | | | | |
| Illinois Rural Bond Bank: | | | | |
| Series 2003-A (refunding issue) | 7/1/2003 | $ 11.7 | 1.00% to 4.15% | 2021 |
| Series 2003-B | 9/24/2003 | $ 10.7 | 1.10% to 5.20% | 2024 |
| Illinois Housing Development Authority: | | | | |
| Homeowner Mortgage Revenue Bonds | | | | |
| Series 2003-B | 9/30/2003 | $ 50.0 | 1.20% to 5.15% | 2034 |
| Series 2004 - A1 | 3/16/2004 | $ 14.3 | 1.10% to 4.00% | 2017 |
| Series 2004 - A2 | 3/16/2004 | $ 25.0 | 4.60% to 5.50% | 2034 |
| Series 2004 - A3 | 3/16/2004 | $ 10.7 | Variable | 2034 |
| Homeowner Mortgage Revenue Notes | | | | |
| Series 2004 - B1 | 3/16/2004 | $ 45.7 | 0.990% | 2006 |
| Series 2004 - B2 | 3/16/2004 | $ 45.6 | 1.04% | 2006 |
| Housing Bonds | | | | |
| Series 2003-A | 12/30/2003 | $ 20.9 | 2.55% to 5.05% | 2046 |
| Series 2003-B | 12/11/2003 | $ 55.3 | 3.30% to 5.05% | 2040 |
| Series 2003-C | 12/30/2003 | $ 6.3 | 1.55% to 4.95% | 2034 |
| Series 2004-A | 3/31/2004 | $ 25.0 | 2.90% to 4.70% | 2039 |
| Series 2004-B | 3/31/2004 | $ 10.0 | Variable | 2034 |
| Multi-Family Housing | | | | |
| Series 2004 (Mattoon Towers) | 2/24/2004 | $ 3.4 | Variable | 2034 |
| Series 2004 (Village Center) | 3/30/2004 | $ 8.9 | Variable | 2020 |
| Northeastern Illinois Unversity: | | | | |
| Series 2004 (Facilities System) | 4/8/2004 | $ 17.0 | 3.45% to 4.50% | 2035 |
| University of Illinois: | | | | |
| UIC South Campus Development | | | | |
| Series 2003 | 8/27/2003 | $ 10.0 | 2.00% to 5.25% | 2023 |
| Certificates of Participation: | | | | |
| Eastern Illinois University: | | | | |
| Energy & Network Infrastructure Project | | | | |
| Series 2003 | 8/19/2003 | $ 8.6 | 3.00% to 4.00% | 2013 |
| University of Illinois: | | | | |
| UI-Integrate Project | | | | |
| Series 2003 | 12/10/2003 | $ 31.7 | 4.50% to 5.00% | 2014 |
| Utility Infrastructure Projects | | | | |
| Series 2003 | 01/06/2004 | $ 69.1 | 4.00% to 5.00% | 2016 |
| Series 2004 | 03/05/2004 | $ 143.7 | Variable | 2021 |

On April 7, 2003, the Governor signed Public Act 93-0002 into law that establishes the Pension Contribution Fund and authorizes the issuance of up to $10 billion of general obligation bonds. The proceeds of this issuance are to be deposited into the Pension Contribution Fund (a major governmental fund). The Pension Contribution Fund will transfer $.3 billion which represents the required State contribution to the designated retirement systems for the last quarter of State fiscal year 2003, plus $1.86 billion representing the required State contributions to the designated retirement systems for State fiscal year 2004. The designated retirement systems for purposes of this legislation means the State Employees' Retirement System of the State of Illinois; the Teachers' Retirement System of the State of Illinois; the State Universities Retirement System; the Judges' Retirement System of Illinois and the General Assembly Retirement System.

Subsequent to June 30, 2003, the State distributed the pension general obligation bond proceeds that were deposited into the Pension Contribution Fund in June 2003 (see Note 9). On July 2, 2003, $7.32 billion of the $9.48 billion that had been deposited in the Pension Contribution Fund was distributed as follows: $4.33 billion to the Teachers' Retirement System; $1.43 billion to the State Universities Retirement System; $1.39 billion to the State Employees' Retirement System; $.14 billion to the Judges' Retirement System; $.03 billion to the General Assembly Retirement System. These proceeds are to be used to fund a portion of the State's unfunded portion of prior years liabilities (see Notes 1(K) and 15).

**Unemployment Compensation Trust Fund:**

The Unemployment Trust Fund account, from which funds are drawn by the Illinois Department of Employment Security (Department) to pay benefits to claimants, was depleted in early March 2003. This was due to extended high unemployment rates during the course of the current recession and tax revenues that have not matched the increased level of unemployment benefit payments.

On March 13, 2003, the Department started receiving advances from the federal government and total borrowings for fiscal year 2003 amounted to $290 million. Repayments of the advances were made as funds became available from receipts of employer contributions and by May 6, 2003 the balance of the advances was paid in full. Additional borrowing began on July 15, 2003 and by April 28, 2004, the balance of advances was $1.12 billion.

The Department projects that there will be a deficit in the trust fund through at least 2006, absent a robust economic recovery and/or legislative changes to the system. Basic economic assumptions for the projection are provided by independent sources.

On January 1, 2004, Public Act 93-0634 became law enabling the Illinois Department of Employment Security (Department) the authorization to issue revenue bonds. Public Act 93-0634 authorizes up to $1.4 billion of revenue bonds to be issued for the following purposes: a) to reduce or avoid the need to borrow or obtain a federal advance under Section 1201, et seq., of the Social Security Act (42 U.S.C. Section 1321), as amended, or any similar federal law; b) to refinance a previous advance received by the Department with respect to the payment of benefits; c) to refinance, purchase, redeem, refund, advance refund or defease (including, any combination of the foregoing) any outstanding bonds issued pursuant to this Act; or d) to fund a surplus in Illinois' account in the Unemployment Trust Fund of the United States Treasury. As of the audit date, none of the aforementioned bonds have been issued.

**This Page Intentionally Left Blank**

# REQUIRED SUPPLEMENTARY INFORMATION

*State of Illinois*

## Budgetary Comparison Schedule
## Major Governmental Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | General Funds | | | | Special State Funds | | | |
|---|---|---|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance Over (Under) | Original Budget | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | | | |
| Income taxes | $ 8,670,000 | $ 8,150,000 | $ 8,079,226 | $ (70,774) | $ 1,671,392 | $ 1,671,392 | $ 1,671,392 | $ - |
| Sales taxes | 6,430,000 | 6,053,000 | 6,059,374 | 6,374 | 884,834 | 884,834 | 622,408 | (262,426) |
| Motor fuel taxes | | | | | 69,380 | 69,380 | 66,286 | (3,094) |
| Public utility taxes | 1,185,000 | 1,035,000 | 1,005,986 | (29,014) | 247,265 | 247,265 | 433,568 | 186,303 |
| Federal government | 4,075,000 | 4,075,000 | 3,903,053 | (171,947) | 2,416,635 | 2,416,635 | 2,458,325 | 41,690 |
| Other | 2,200,000 | 2,075,000 | 2,019,063 | (55,937) | 5,065,280 | 5,065,280 | 5,418,221 | 352,941 |
| Less: | | | | | | | | |
| Refunds | 31,912 | 31,912 | 29,893 | (2,019) | 1,416,233 | 1,612,319 | 1,606,589 | (5,730) |
| **Total revenues** | 22,528,088 | 21,356,088 | 21,036,809 | (319,279) | 8,938,553 | 8,742,467 | 9,063,611 | 321,144 |
| **EXPENDITURES:** | | | | | | | | |
| Current: | | | | | | | | |
| Health and social services | 9,942,731 | 9,942,731 | 9,817,474 | (125,257) | 4,563,233 | 4,638,233 | 4,114,483 | (523,750) |
| Education | 8,651,597 | 8,677,925 | 8,593,017 | (84,908) | 257,611 | 264,839 | 190,814 | (74,025) |
| General government | 1,361,007 | 1,370,814 | 1,337,268 | (33,546) | 4,301,443 | 3,975,297 | 3,701,068 | (274,229) |
| Transportation | 65,360 | 65,360 | 61,950 | (3,410) | 376,568 | 376,568 | 289,756 | (86,812) |
| Public protection and justice | 1,760,343 | 1,760,408 | 1,695,290 | (65,118) | 207,630 | 207,630 | 134,899 | (72,731) |
| Employment and economic development | 164,316 | 164,316 | 151,278 | (13,038) | 483,050 | 483,050 | 314,773 | (168,277) |
| Environment and business regulation | 196,088 | 196,088 | 178,707 | (17,381) | 1,005,131 | 1,000,108 | 684,353 | (315,755) |
| Debt service: | | | | | | | | |
| Principal | | | | | 445 | 445 | 445 | |
| Capital outlays | 47,606 | 47,606 | 28,511 | (19,095) | 78,618 | 78,618 | 25,571 | (53,047) |
| **Total expenditures** | 22,189,048 | 22,225,248 | 21,863,495 | (361,753) | 11,273,729 | 11,024,788 | 9,456,162 | (1,568,626) |
| **Excess (deficiency) of revenues over (under) expenditures** | 339,040 | (869,160) | (826,686) | 42,474 | (2,335,176) | (2,282,321) | (392,551) | 1,889,770 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | | | |
| Proceeds from general obligation bond issues | | 1,675,000 | 1,675,000 | | | 10,302,293 | 10,302,293 | |
| Transfers-in | 4,003,000 | 4,567,000 | 4,703,187 | 136,187 | 2,067,120 | 2,067,120 | 2,119,077 | 51,957 |
| Transfers-out | (3,750,164) | (5,425,164) | (5,425,164) | - | (3,633,500) | (3,081,605) | (3,081,605) | - |
| **Total other sources (uses) of financial resources** | 252,836 | 816,836 | 953,023 | 136,187 | (1,566,380) | 9,287,808 | 9,339,765 | 51,957 |
| **Budgetary funds-nonbudgeted accounts** | | | | | (386) | (386) | (386) | - |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | 591,876 | (52,324) | 126,337 | 178,661 | (3,901,942) | 7,005,101 | 8,946,828 | 1,941,727 |
| Budgetary fund balances, July 1, 2002 | (1,220,060) | (1,220,060) | (1,220,060) | - | 1,715,662 | 1,715,662 | 1,715,662 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (628,184) | $ (1,272,384) | $ (1,093,723) | $ 178,661 | $ (2,186,280) | $ 8,720,763 | $ 10,662,490 | $ 1,941,727 |

| Road Fund | | | | Motor Fuel Tax Fund | | | | State Construction Account | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Original Budget | Final Budget | Actual | Variance Over (Under) | Original Budget | Final Budget | Actual | Variance Over (Under) | Original Budget | Final Budget | Actual | Variance Over (Under) |
| | | | | $ 1,300,000 | $ 1,314,000 | $ 1,322,029 | $ 8,029 | | | | |
| $ 850,000 | $ 900,000 | $ 718,164 | $ (181,836) | | | | | | | | |
| 885,000 | 856,000 | 814,515 | (41,485) | | | 1,775 | 1,775 | $ 525,000 | $ 509,000 | $ 503,564 | $ (5,436) |
| 2,919 | 2,919 | 2,763 | (156) | 23,000 | 23,000 | 14,528 | (8,472) | | | | |
| 1,732,081 | 1,753,081 | 1,529,916 | (223,165) | 1,277,000 | 1,291,000 | 1,309,276 | 18,276 | 525,000 | 509,000 | 503,564 | (5,436) |
| 227,558 | 227,558 | 223,319 | (4,239) | 74,572 | 74,572 | 59,939 | (14,633) | | | | |
| 1,858,923 | 1,858,923 | 1,790,352 | (68,571) | 654,151 | 654,151 | 625,601 | (28,550) | 698,526 | 698,526 | 698,518 | (8) |
| 97,310 | 97,310 | 97,310 | - | | | | | | | | |
| 2,000 | 2,000 | 1,795 | (205) | | | | | | | | |
| 26,324 | 26,324 | 17,655 | (8,669) | 181 | 181 | 144 | (37) | | | | |
| 2,212,115 | 2,212,115 | 2,130,431 | (81,684) | 728,904 | 728,904 | 685,684 | (43,220) | 698,526 | 698,526 | 698,518 | (8) |
| (480,034) | (459,034) | (600,515) | (141,481) | 548,096 | 562,096 | 623,592 | 61,496 | (173,526) | (189,526) | (194,954) | (5,428) |
| 326,900 | 326,900 | 363,943 | 37,043 | 618,900 | 618,900 | 622,893 | 3,993 | 227,165 | 227,165 | 260,559 | 33,394 |
| (260,368) | (260,368) | (260,368) | - | (1,239,504) | (1,239,504) | (1,239,504) | - | (76) | (35,076) | (35,076) | - |
| 66,532 | 66,532 | 103,575 | 37,043 | (620,604) | (620,604) | (616,611) | 3,993 | 227,089 | 192,089 | 225,483 | 33,394 |
| | | | - | | | | - | | | | |
| (413,502) | (392,502) | (496,940) | (104,438) | (72,508) | (58,508) | 6,981 | 65,489 | 53,563 | 2,563 | 30,529 | 27,966 |
| 775,840 | 775,840 | 775,840 | - | 51,046 | 51,046 | 51,046 | - | 214,643 | 214,643 | 214,643 | - |
| $ 362,338 | $ 383,338 | $ 278,900 | $ (104,438) | $ (21,462) | $ (7,462) | $ 58,027 | $ 65,489 | $ 268,206 | $ 217,206 | $ 245,172 | $ 27,966 |

**Notes to Budgetary Comparison Schedule – Budget and Actual**
**– Major Governmental Funds**
For the Year Ended June 30, 2003

A. Budgetary Basis of Accounting

The State Constitution requires the Governor to prepare and submit to the General Assembly an Executive Budget for the ensuing fiscal year. The budget covers most funds held by the State, but excludes all locally held funds and various treasury held funds which are not subject to appropriation pursuant to State law. The General Assembly enacts the budget through passage of specific line-item appropriations (i.e., personal services, contractual services, equipment, etc.), the sum of which must not exceed estimated revenues pursuant to the State Constitution. The Governor has the power to approve, reduce or veto each appropriation passed by the General Assembly. Transfers-in and transfers-out contained in the Executive Budget are not a part of the General Assembly's appropriation process. The actual amounts are determined either by State law or by discretionary action available to the Governor. The Statewide Accounting Management System controls expenditures by line item as established in approved appropriation bills and ensures that appropriated expenditure amounts are not exceeded.

The level of legal control is at the line-item appropriation level as reported in a publication titled *Illinois Detailed Annual Report of Revenues and Expenditures* (i.e., Office of the Comptroller, Department of Human Services, Department of Corrections, etc). A separate document is necessary due to the State's large amount of appropriated line-items. Administrative transfers between certain appropriation line items within the same treasury held fund cannot exceed 2% of the aggregate amount appropriated to an agency from that fund. Examples of appropriation line items with a 2% transfer limit are Contractual Services, Travel, Commodities, Printing and Equipment. Legislative action is required for more substantial transfers. During fiscal year 2003, the legislature enacted a special provision which increased the transfer threshold to 3%. In addition, a provision was added which specified that transfers for personal services could not reduce the aggregate appropriations for personal services within an agency. These special provisions were applicable to fiscal year 2003 only. Unexpended appropriations at June 30 are available for subsequent expenditure to the extent that encumbrances have been incurred at June 30, provided they are presented for payment during the succeeding 2-month "lapse period." Certain appropriations referred to as "reappropriations" represent the continuation of a prior year's program that requires additional time for completion.

The original budgeted revenues represent estimates while original budgeted expenditures represent original and continuing appropriations enacted into law by appropriation bills. Generally accepted accounting principles (GAAP) require the final legal budget be reflected in the final budget column, therefore, updated revenue estimates have been reported. Final expenditure budgets represent original and continuing appropriations modified by supplemental and amendatory appropriations. The State's basis of budgeting is essentially on the cash basis, modified for expenditures during the lapse period (beginning and end of year) as described in the preceding paragraph.

The State's General Fund has a perspective difference for financial reporting as the General Fund reported for financial reporting purposes includes amounts which are reported as a part of the State's Special State Funds as classified for budgetary purposes.

The Budgetary Comparison Schedule – Major Governmental Funds presents the original legally adopted budget, as well as comparisons of the final legally adopted budget with actual data on a

budgetary basis for the State's major governmental funds: the General Fund, the Road Fund, the Motor Fuel Tax Fund, the School Construction Account and the Pension Contribution Fund.

The supplementary portion of this report includes a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for all funds of the State with annual budgets as classified for budgetary purposes. Those schedules only include the final appropriated budget.

B. Budgetary-GAAP Reporting Reconciliation

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of differences between budgetary and GAAP presentations for the year ended June 30, 2003 is presented below for the major governmental funds (amounts expressed in thousands):

| | MAJOR GOVERNMENTAL FUNDS | | | | | |
|---|---|---|---|---|---|---|
| | General Fund | Special State Funds | | | | |
| | General Fund | | Road Fund | Motor Fuel Tax Fund | State Construction Account | Pension Contribution Fund |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (budgetary basis) | $ 126,337 | $8,946,828 | $ (496,940) | $ 6,981 | $ 30,529 | $ -- |
| Reclassifications: | | | | | | |
| Budgetary Special State Funds reported as part of the General Fund for GAAP reporting | 122,633 | (122,633) | -- | -- | -- | -- |
| Budgetary Special State Funds reported as part of the Pension Contribution Fund for GAAP reporting | | (9,177,293) | -- | -- | -- | 9,177,293 |
| Non-major GAAP Special State Funds | | 353,098 | -- | -- | -- | -- |
| Adjustments: | | | | | | |
| To adjust revenues, related receivables and deferred revenue | 2,564,863 | -- | (12,390) | (49,121) | (9,936) | - |
| To adjust expenditures and related liabilities | (4,015,133) | -- | (44,034) | 53,339 | 16,055 | - |
| To adjust for lapse period expenditures which were not recorded as liabilities | (12,281) | -- | (601) | 9 | -- | -- |
| Excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources into financial resources (GAAP basis) - budgetary classifications | (1,213,581) | -- | (553,965) | 11,208 | 36,648 | 9,177,293 |
| To record excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources for nonbudgeted accounts | (1,169) | -- | -- | -- | -- | -- |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (GAAP basis) | **$ (1,214,750)** | **$ --** | **$ (553,965)** | **$ 11,208** | **$ 36,648** | **$ 9,177,293** |

**Required Supplementary Information**
**Pension Trust Funds – Schedule of Funding Progress**
(Unaudited)

The following schedule of funding progress (dollar amounts in thousands) for the State of Illinois' retirement systems is provided for fiscal years ended June 30, 2001, 2002 and 2003.

| Actuarial Valuation Date | (a) Actuarial Value of Assets | (b) Actuarial Accrued Liability ("AAL") Projected Unit Credit | (c) Unfunded AAL ("UAAL") (b-a) | (d) Funded Ratio (a/b) | (e) Covered Payroll | (f) UAAL as a Percentage of Covered Payroll (c/e) |
|---|---|---|---|---|---|---|
| General Assembly | | | | | | |
| 6/30/2001 | $ 61,998 | $ 177,546 | $ 115,548 | 34.9% | $ 11,479 | 1006.6% |
| 6/30/2002 | $ 54,051 | $ 184,583 | $ 130,532 | 29.3% | $ 12,089 | 1079.8% |
| 6/30/2003 | $ 49,676 | $ 196,510 | $ 146,834 | 25.3% | $ 12,638 | 1161.8% |
| Judges' | | | | | | |
| 6/30/2001 | $ 381,734 | $ 937,092 | $ 555,358 | 40.7% | $ 109,900 | 505.3% |
| 6/30/2002 | $ 343,659 | $ 1,020,847 | $ 677,188 | 33.7% | $ 118,700 | 570.5% |
| 6/30/2003 | $ 330,054 | $ 1,076,232 | $ 746,178 | 30.7% | $ 123,900 | 602.2% |
| State Employees' | | | | | | |
| 6/30/2001 | $ 8,276,661 | $ 12,572,240 | $ 4,295,579 | 65.8% | $ 3,564,441 | 120.5% |
| 6/30/2002 | $ 7,673,893 | $ 14,291,044 | $ 6,617,151 | 53.7% | $ 3,713,020 | 178.2% |
| 6/30/2003 | $ 7,502,111 | $ 17,593,980 | $ 10,091,869 | 42.6% | $ 3,639,334 | 277.3% |
| Teachers' | | | | | | |
| 6/30/2001 | $ 23,315,646 | $ 39,166,697 | $ 15,851,051 | 59.5% | $ 6,430,612 | 246.5% |
| 6/30/2002 | $ 22,366,285 | $ 43,047,674 | $ 20,681,389 | 52.0% | $ 6,785,236 | 304.8% |
| 6/30/2003 | $ 23,124,823 | $ 46,933,432 | $ 23,808,609 | 49.3% | $ 7,059,032 | 337.3% |
| State Universities | | | | | | |
| 6/30/2001 | $ 10,753,297 | $ 14,915,317 | $ 4,162,020 | 72.1% | $ 2,474,631 | 168.2% |
| 6/30/2002 | $ 9,814,677 | $ 16,654,041 | $ 6,839,364 | 58.9% | $ 2,607,155 | 262.3% |
| 6/30/2003 | $ 9,715,547 | $ 18,025,032 | $ 8,310,485 | 53.9% | $ 2,763,428 | 300.7% |

## GENERAL FUND

The General Fund is maintained to account for resources obtained and used for those services traditionally provided by State government which are not required to be accounted for in another fund.

## SIGNIFICANT GENERAL FUND ACCOUNT DESCRIPTIONS

General Revenue Account--to account for resources obtained and used which are not required to be accounted for in another fund or account.

Education Assistance Account--to provide funding for elementary and secondary education programs and for higher education programs.

Common School Account--to provide funding for elementary and secondary education agencies including General State Aid, School District Consolidation Incentives and operational funding of Educational Services Regions.

University of Illinois Hospital Services Account--to provide medical services at the University of Illinois Hospital.

County Hospital Services Account--to provide for medical services at Cook County hospitals.

Long-Term Care Provider Account--to provide for medical services at long-term health care centers.

*State of Illinois*

# Combining Schedule of Accounts
# General Fund
**June 30, 2003 (Expressed in Thousands)**

| | General Revenue Account | Education Assistance Account | Common School Account | Medicaid Provider Assessment Program | Eliminations | Total |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash equity with State Treasurer | $ 623,766 | $ 211,646 | $ 133,808 | $ 87,574 | | $ 1,056,794 |
| Cash and cash equivalents | 1,119 | | | | | 1,119 |
| Investments | 150 | | | | | 150 |
| Receivables, net: | | | | | | |
| Taxes | 711,409 | 21,412 | 95,641 | 62,876 | | 891,338 |
| Intergovernmental | 1,287,357 | | | 373,622 | | 1,660,979 |
| Other | 110,116 | | 24 | 77 | | 110,217 |
| Due from other funds | 104,965 | 16,749 | 58 | | $ (32,705) | 89,067 |
| Due from component units | 5,743 | 41 | | 12,339 | | 18,123 |
| Inventories | 31,651 | | | | | 31,651 |
| Loans and notes receivable, net | 13,564 | | | | | 13,564 |
| Other assets | 4,092 | | | | | 4,092 |
| **Total assets** | $ 2,893,932 | $ 249,848 | $ 229,531 | $ 536,488 | $ (32,705) | $ 3,877,094 |
| **LIABILITIES** | | | | | | |
| Accounts payable and accrued liabilities | $ 3,615,272 | $ 104 | $ 43,233 | $ 426,492 | | $ 4,085,101 |
| Intergovernmental payables | 1,240,378 | 13 | | 124 | | 1,240,515 |
| Due to other funds | 371,973 | 7 | 47,214 | 29,266 | $ (32,705) | 415,755 |
| Due to component units | 44,900 | 88 | | 23,672 | | 68,660 |
| Deferred revenues | 478,278 | 6,269 | 5,790 | 228,714 | | 719,051 |
| General obligation certificates payable | 1,459,106 | | | 50,314 | | 1,509,420 |
| Matured portion of long-term liabilities | 4,364 | | | | | 4,364 |
| **Total liabilities** | 7,214,271 | 6,481 | 96,237 | 758,582 | (32,705) | 8,042,866 |
| **FUND BALANCES (DEFICITS)** | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 67,776 | 160 | | 1 | | 67,937 |
| Long-term portion of: | | | | | | |
| Loans and notes receivable | 13,169 | | | | | 13,169 |
| Intergovernmental receivables | 211,160 | | | | | 211,160 |
| Other assets | 349 | | | | | 349 |
| Inventories | 31,651 | | | | | 31,651 |
| Unreserved | (4,644,444) | 243,207 | 133,294 | (222,095) | | (4,490,038) |
| **Total fund balances (deficits)** | (4,320,339) | 243,367 | 133,294 | (222,094) | | (4,165,772) |
| **Total liabilities and fund balances** | $ 2,893,932 | $ 249,848 | $ 229,531 | $ 536,488 | $ (32,705) | $ 3,877,094 |

*State of Illinois*

# Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
# General Fund

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | General Revenue Account | Education Assistance Account | Common School Account | Medicaid Provider Assessment Program | Eliminations | Total |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Income taxes | $ 7,257,397 | $ 588,685 | | | | $ 7,846,082 |
| Sales taxes | 4,537,125 | | $ 1,511,028 | | | 6,048,153 |
| Public utility taxes | 954,486 | | 108,225 | | | 1,062,711 |
| Other taxes | 1,192,003 | | 140,096 | $ 361,653 | | 1,693,752 |
| Federal government | 4,441,775 | | | 1,199,228 | | 5,641,003 |
| Licenses and fees | 74,153 | | 696 | 196 | | 75,045 |
| Interest and other investment income | 59,403 | | 316 | 691 | | 60,410 |
| Other | 540,930 | 3,276 | | 802,414 | | 1,346,620 |
| **Total revenues** | 19,057,272 | 591,961 | 1,760,361 | 2,364,182 | | 23,773,776 |
| **EXPENDITURES** | | | | | | |
| Current: | | | | | | |
| Health and social services | 10,101,100 | | | 2,459,529 | | 12,560,629 |
| Education | 4,261,778 | 1,135,621 | 3,214,893 | | | 8,612,292 |
| General government | 1,529,124 | 291 | 151 | | | 1,529,566 |
| Employment and economic development | 165,801 | | | | | 165,801 |
| Transportation | 59,226 | | | | | 59,226 |
| Public protection and justice | 1,691,038 | | | | | 1,691,038 |
| Environment and business regulations | 187,175 | | | | | 187,175 |
| Debt service: | | | | | | |
| Principal | 11,194 | | | | | 11,194 |
| Interest | 1,684 | | | | | 1,684 |
| Capital outlays | 23,878 | | | | | 23,878 |
| **Total expenditures** | 18,031,998 | 1,135,912 | 3,215,044 | 2,459,529 | | 24,842,483 |
| **Excess (deficiency) of revenues over (under) expenditures** | 1,025,274 | (543,951) | (1,454,683) | (95,347) | | (1,068,707) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | |
| Transfers-in | 1,756,593 | 565,148 | 2,997,526 | 196,293 | $ (2,627,633) | 2,887,927 |
| Transfers-out | (3,956,596) | | (1,482,921) | (224,473) | 2,627,633 | (3,036,357) |
| Capital lease financing | 2,387 | | | | | 2,387 |
| **Net other sources (uses) of financial resources** | (2,197,616) | 565,148 | 1,514,605 | (28,180) | -- -- | (146,043) |
| **Net change in fund balances** | (1,172,342) | 21,197 | 59,922 | (123,527) | -- -- | (1,214,750) |
| Fund balances (deficits), July 1, 2002, as restated | (3,144,667) | 222,170 | 73,372 | (98,567) | | (2,947,692) |
| Increase (decrease) for changes in inventories | (3,330) | | | | | (3,330) |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (4,320,339) | $ 243,367 | $ 133,294 | $ (222,094) | $ -- -- | $ (4,165,772) |

*State of Illinois*

# Combining Schedule of Accounts - General Fund
# Medicaid Provider Assessment Program

**June 30, 2003 (Expressed in Thousands)**

| | University of Illinois Hospital Services Account | County Hospital Services Account | Long-Term Care Provider Account | Other Medicaid Provider Assessment Accounts | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash equity with State Treasurer | $ 16,715 | $ 5,690 | $ 56,654 | $ 8,515 | $ 87,574 |
| Receivables, net: | | | | | |
| Taxes | | | 62,356 | 520 | 62,876 |
| Intergovernmental | 23,623 | 211,034 | 136,673 | 2,292 | 373,622 |
| Other | | 14 | 51 | 12 | 77 |
| Due from component units | 12,339 | | | | 12,339 |
| **Total assets** | $ 52,677 | $ 216,738 | $ 255,734 | $ 11,339 | $ 536,488 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued liabilities | | $ 170,281 | $ 252,743 | $ 3,468 | $ 426,492 |
| Intergovernmental payables | | | 2 | 122 | 124 |
| Due to other funds | $ 29,005 | | 9 | 252 | 29,266 |
| Due to component units | 23,672 | | | | 23,672 |
| Deferred revenues | 20,690 | 145,983 | 61,658 | 383 | 228,714 |
| Notes payable | | | 50,314 | | 50,314 |
| **Total liabilities** | 73,367 | 316,264 | 364,726 | 4,225 | 758,582 |
| **FUND BALANCES (DEFICITS)** | | | | | |
| Reserved for encumbrances | | | 1 | | 1 |
| Unreserved | (20,690) | (99,526) | (108,993) | 7,114 | (222,095) |
| **Total fund balances (deficits)** | (20,690) | (99,526) | (108,992) | 7,114 | (222,094) |
| **Total liabilities and fund balances** | $ 52,677 | $ 216,738 | $ 255,734 | $ 11,339 | $ 536,488 |

*State of Illinois*

# Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Medicaid Provider Assessment Program

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | University of Illinois Hospital Services Account | County Hospital Services Account | Long-Term Care Provider Account | Other Medicaid Provider Assessment Accounts | Total |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Other taxes | | | $ 342,660 | $ 18,993 | $ 361,653 |
| Federal government | $ 111,940 | $ 749,525 | 316,075 | 21,688 | 1,199,228 |
| Licenses and fees | | | | 196 | 196 |
| Interest and other investment income | | 300 | 344 | 47 | 691 |
| Other | 69,771 | 732,703 | (60) | | 802,414 |
| **Total revenues** | 181,711 | 1,482,528 | 659,019 | 40,924 | 2,364,182 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| Health and social services | 172,569 | 1,476,634 | 772,332 | 37,994 | 2,459,529 |
| **Total expenditures** | 172,569 | 1,476,634 | 772,332 | 37,994 | 2,459,529 |
| **Excess (deficiency) of revenues over (under) expenditures** | 9,142 | 5,894 | (113,313) | 2,930 | (95,347) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | |
| Transfers-in | 44,700 | | 151,593 | | 196,293 |
| Transfers-out | (65,416) | | (159,057) | | (224,473) |
| **Net other sources (uses) of financial resources** | (20,716) | | (7,464) | | (28,180) |
| **Net change in fund balances** | (11,574) | 5,894 | (120,777) | 2,930 | (123,527) |
| Fund balances (deficits), July 1, 2002, as restated | (9,116) | (105,420) | 11,785 | 4,184 | (98,567) |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (20,690) | $ (99,526) | $ (108,992) | $ 7,114 | $ (222,094) |

*State of Illinois*

# Combining Balance Sheet - Non-major Governmental Funds

**June 30, 2003 (Expressed in Thousands)**

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Trust Fund | Total Non-major Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash equity with State Treasurer | $ 2,037,739 | $ 1,046,677 | $ 294,204 | $ 1,615 | $ 3,380,235 |
| Cash and cash equivalents | 24,182 | 28,114 | 1,159 | 214 | 53,669 |
| Investments | 3,300 | 132,507 | | 1,091 | 136,898 |
| Receivables, net: | | | | | |
| Taxes | 208,881 | | | | 208,881 |
| Intergovernmental | 524,615 | 8 | 2,290 | | 526,913 |
| Other | 72,432 | 901 | | | 73,333 |
| Due from other funds | 239,436 | 5,050 | 13,337 | | 257,823 |
| Due from component units | 133 | 3,505 | | | 3,638 |
| Inventories | 21,082 | | | | 21,082 |
| Loans and notes receivable, net | 87,926 | 23,358 | | | 111,284 |
| Other assets | 11,365 | | | 1 | 11,366 |
| **Total assets** | $ 3,231,091 | $ 1,240,120 | $ 310,990 | $ 2,921 | $ 4,785,122 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued liabilities | $ 363,913 | $ 24 | $ 182,784 | | $ 546,721 |
| Intergovernmental payables | 915,174 | | 82,929 | | 998,103 |
| Due to other funds | 190,617 | | 1,257 | $ 24 | 191,898 |
| Due to component units | 21,244 | 884 | 513 | | 22,641 |
| Deferred revenues | 321,133 | | 6,400 | | 327,533 |
| Matured portion of long-term liabilities | 11,866 | | | | 11,866 |
| **Total liabilities** | 1,823,947 | 908 | 273,883 | 24 | 2,098,762 |
| **FUND BALANCES** | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 196,350 | | 1,548,020 | | 1,744,370 |
| Long-term portion of: | | | | | |
| Other receivables | 2,953 | | | | 2,953 |
| Loans and notes receivable | 70,608 | 21,644 | | | 92,252 |
| Other assets | 14,269 | 137 | | | 14,406 |
| Inventories | 21,082 | | | | 21,082 |
| Debt service | | 1,217,431 | | | 1,217,431 |
| Capital projects | | | 28,698 | | 28,698 |
| Unreserved | 1,101,882 | | (1,539,611) | 2,897 | (434,832) |
| **Total fund balances** | 1,407,144 | 1,239,212 | 37,107 | 2,897 | 2,686,360 |
| **Total liabilities and fund balances** | $ 3,231,091 | $ 1,240,120 | $ 310,990 | $ 2,921 | $ 4,785,122 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Special Revenue | Debt Service | Capital Projects | Permanent Trust Fund | Total Non-major Governmental Funds |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Income taxes | $ 539,175 | | | | $ 539,175 |
| Sales taxes | 2,302,368 | | | | 2,302,368 |
| Motor fuel taxes | 72,426 | | | | 72,426 |
| Public utility taxes | 550,341 | | | | 550,341 |
| Other taxes | 908,618 | | | | 908,618 |
| Federal government | 5,506,083 | | $ 20,568 | | 5,526,651 |
| Licenses and fees | 366,771 | $ 231 | | | 367,002 |
| Interest and other investment income | 18,650 | 30,675 | 6 | $ 55 | 49,386 |
| Other | 726,370 | 269 | 24,473 | | 751,112 |
| **Total revenues** | 10,990,802 | 31,175 | 45,047 | 55 | 11,067,079 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| Health and social services | 3,491,518 | 779 | | 33 | 3,492,330 |
| Education | 1,858,098 | | 881,991 | | 2,740,089 |
| General government | 332,926 | 2,536 | 26,363 | | 361,825 |
| Employment and economic development | 791,662 | 29 | 354,958 | | 1,146,649 |
| Transportation | 412,094 | | 125,226 | | 537,320 |
| Public protection and justice | 264,243 | | 99 | | 264,342 |
| Environment and business regulation | 553,907 | 1,618 | 84,800 | | 640,325 |
| Debt service: | | | | | |
| Principal | 1,842 | 720,570 | | | 722,412 |
| Interest | 263 | 488,725 | | | 488,988 |
| Capital outlays | 26,077 | | 655,835 | | 681,912 |
| Intergovernmental | 3,483,426 | | | | 3,483,426 |
| **Total expenditures** | 11,216,056 | 1,214,257 | 2,129,272 | 33 | 14,559,618 |
| **Excess (deficiency) of revenues over (under) expenditures** | (225,254) | (1,183,082) | (2,084,225) | 22 | (3,492,539) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | |
| General and special obligation bonds issued | | 481,039 | 1,894,304 | | 2,375,343 |
| Premiums on general and special obligation bonds issued | | | 116,805 | | 116,805 |
| General and special obligation refunding bonds issued | | 564,900 | 130,125 | | 695,025 |
| Premiums on general and special obligation refunding bonds issued | | 56,535 | 9,038 | | 65,573 |
| Transfers-in | 1,696,386 | 2,336,695 | 14,200 | | 4,047,281 |
| Transfers-out | (1,658,508) | (1,059,799) | (60,386) | (56) | (2,778,749) |
| Payment to refunded bond escrow agent | | (618,979) | (138,351) | | (757,330) |
| Capital lease financing | 1,301 | | | | 1,301 |
| **Net other sources (uses) of financial resources** | 39,179 | 1,760,391 | 1,965,735 | (56) | 3,765,249 |
| **Net change in fund balances** | (186,075) | 577,309 | (118,490) | (34) | 272,710 |
| Fund balances (deficits), July 1, 2002, as restated | 1,589,872 | 661,903 | 155,597 | 2,931 | 2,410,303 |
| Increase (decrease) for changes in inventories | 3,347 | | | | 3,347 |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ 1,407,144 | $ 1,239,212 | $ 37,107 | $ 2,897 | $ 2,686,360 |

## SPECIAL REVENUE FUNDS

The Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

## SIGNIFICANT NON-MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS DESCRIPTIONS

**Treasurer**

Tobacco Settlement Recovery Fund--to account for monies received annually as a part of the Master Settlement Agreement in the State of Illinois vs. Philip Morris.

**Department of Children and Family Services**

DCFS Training Fund--to provide training for foster parents, adoptive parents and the Department of Children and Family Services and private agency staff in accordance with federal standards.

Children's Services Fund--to account for revenues and expenditures related to the federal Title IV-E foster care and adoption service program.

DCFS Federal Projects Fund--to administer a variety of formula and discretionary grants awarded by the Federal government to support a number of family and child related programs including: child abuse and neglect prevention and treatment programs, independent living, family preservation and crisis intervention programs and day care enhancement and referral projects.

**Department of Commerce and Community Affairs**

Supplemental Low Income Energy Assistance Fund--to provide assistance to low-income households in paying heating and cooling costs.

Fund for Illinois' Future--to account for grants and expenditures for planning, engineering, acquisition, construction, reconstruction, development, improvement and extension of public infrastructure in the State of Illinois.

Tourism Promotion Fund--to provide assistance for the promotion and marketing of local tourist attractions and services throughout the State.

Low Income Home Energy Assistance Block Grant Fund--to provide assistance to low-income households in paying heating and cooling costs.

Community Development/Small Cities Block Grant Fund--to provide community-wide housing, employment and emergency assistance, as well as financial and personal counseling for the economically disadvantaged.

Build Illinois Capital Revolving Loan Fund--to finance intermediary agreements, administration, technical assistance agreements, loans, grants and investments through the Build Illinois Act.

**Department of Natural Resources**

Open Space Lands Acquisition and Development Fund--to receive deposits from monies collected under the Real Estate Transfer Tax Act to be transferred, appropriated and used only for the purposes authorized by the Open Space Lands Acquisition and Development Act.

Park and Conservation Fund--to account for revenues and expenditures related to rehabilitating State parks and enhancing recreational expansion for economic development and tourism.

**Department of Human Services**

Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund--to account for federal monies or grants for prevention programs and priority services for women and individuals at high risk of HIV infection, serving both alcohol and drug users.

Vocational Rehabilitation Fund--to account for federal monies or grants from private or public sources for vocational rehabilitation.

DHS Special Purposes Trust Fund--to receive and disburse federal grants, gifts and legacies not elsewhere designated by statute to be deposited and disbursed.

Old Age Survivors Insurance Fund--to account for the benefits of the Federal Old Age Survivors Insurance System as authorized by the federal Social Security Act.

Early Intervention Services Revolving Fund--to provide coordinated, comprehensive, inter-disciplinary services to enforce the growth and development of children from birth through 36 months of age who have disabilities and/or developmental delays.

U.S.D.A. Women, Infants and Children Fund--to administer the federal Supplemental Food Program for Women, Infants and Children.

Community Mental Health Medical Fund--to reimburse community mental health service providers for Medicaid reimbursed mental health services.

Local Initiative Fund--to utilize federal funding to provide social services such as childcare and transportation.

Maternal and Child Health Services Block Grant Fund--to account for monies received from the federal government to provide prevention and primary care activities for rape prevention and victims of sex offenses.

Food Stamp and Commodity Fund--to account for food stamps and commodities received from the federal government.

**Department of Public Aid**

Special Education Medicaid Matching Fund--to record monies received from the federal government for education related services authorized under Section 1903 of the Social Security Act and distributed to school districts by the State Board of Education for Medicaid eligible special education children claims.

Trauma Center Fund--to record monies received from federal funds, fines, penalties and violations to provide medical services at trauma centers.

Child Support Administration Fund--to receive and record fees related to the administration of the Child Support Enforcement Program.

Public Assistance Recoveries Trust Fund--to collect overpayments of non-child support social assistance through collection agencies.

**Department of Revenue**

State Gaming Fund--to receive and record fees obtained from owners' license applications for riverboat gambling operations.

State and Local Sales Tax Reform Fund--to record proceeds from the 1% use tax on food and drugs and 20% of the proceeds from the 6.25% sales tax.

County and Mass Transit District Fund--to record 4% of the proceeds from a 6.25% Retailers' and Service Occupation tax.

Local Government Tax Fund--to account for 15% share of various sales taxes that will be distributed to cities and counties.

Illinois Sports Facilities Fund--to receive transfers of up to $5,000,000 from the Local Government Distributive Fund to be used for payment of obligations of the Illinois Sports Facilities Authority.

Illinois Tax Increment Fund--to record .27% of 80% of the net revenue realized from the 6.25% sales tax to be distributed to municipalities in accordance with the Tax Increment Allocation Redevelopment Act.

Local Government Distributive Fund--to receive $1/12^{th}$ of the State's income tax collections to distribute to various municipalities and counties within the State.

Municipal Telecommunications Fund--to receive monies collected under the Simplified Municipal Telecommunications Tax Act to be paid to those municipalities who imposed the tax under the act.

Personal Property Tax Replacement Fund--to allocate and disburse to each taxing district within the State the net revenue received from the personal property replacement income tax.

Build Illinois Fund--to receive a percentage of sales, hotel and privilege taxes to be used for monthly allocation to various state agencies for the purpose of promoting tourism related activities.

**Department of Transportation**

Federal/Local Airport Fund--to receive and manage federal funds for airport construction.

State Rail Freight Loan Repayment Fund--to receive and record repayments of loans of State funds made by the Illinois Department of Transportation to railroads, units of local government, rail users, owners, and lessees of railroad right of way to rehabilitate, improve or construct rail facilities.

Public Transportation Fund--to receive monthly transfers from the General Revenue Account in the General Fund representing statutory shares under various sales tax acts and distribute to the Regional Transportation Authority pursuant to a statutory formula.

Downstate Public Transportation Fund--to provide financial assistance for local governments with public transportation systems.

**Department on Aging**

Services for Older Americans Fund--to account for federal monies and grants from private or public sources used in administering the Older Americans Act of 1965.

**Central Management Services**

Wireless Service Emergency Fund--to receive two-thirds of the wireless carrier surcharge assessed monthly to wireless telephone service subscribers and distribute to local governmental units providing emergency calling services to the public.

**Department of Corrections**

Department of Corrections Reimbursement Fund--to account for federal monies or grants from private or public sources received by the Department of Corrections.

**Department of Employment Security**

Title III Social Security and Employment Services Fund--to account for monies received from the federal government for the specific purpose of administering the Unemployment Compensation Act.

**Department of Financial Institutions**

State Pensions Fund--to account for receipts from the sale of abandoned property. Expenditures are primarily to the various State retirement systems for the reduction of the accrued actuarial unfunded liability.

**Department of Public Health**

Public Health Services Fund--to account for funds received from the federal government, primarily under letters of credit, for various federal project awards.

**Environmental Protection Agency**

Brownfields Redevelopment Fund--to fund site investigations and remedial activities on parcels of real property which have actual or perceived contamination and an active potential for redevelopment.

Hazardous Waste Fund--to receive fees collected from the owners or operators of hazardous waste disposal sites and from responsible parties for hazardous waste cleanups and for penalties assessed by the Pollution Control Board or circuit courts in cases related to hazardous waste cleanups.

Vehicle Inspection Fund--to receive fees from and provide for the testing and inspection of motor vehicles.

**State Board of Education**

Drivers Education Fund--to account for monies used to reimburse school districts for each pupil completing a driver education course that meets the minimum requirements of the Driver Education Act.

Federal Department of Agriculture Fund--to account for the federal share of nutrition programs which provide nutritious meals for children and aging adults.

Federal Department of Education Fund--to receive and disburse federal monies to provide financial assistance for educational programs funded by the U.S. Department of Education.

School Technology Revolving Loan Program Fund--to receive and record all monies obtained from transfers from the School Infrastructure Fund to be expended for the purpose of making school technology hardware improvements affordable.

**Capital Development Board**

School Infrastructure Fund--to receive and record one-half of monies obtained from a telecommunication tax in accordance with the Telecommunications Excise Tax Act as amended. Monies in the Fund may be expended for the purpose of discharging the principal and interest on bond indebtedness for construction of school improvements, making payments to the School Technology Revolving Loan Fund and grants for school construction projects.

**Criminal Justice Information Authority**

Juvenile Accountability Incentive Block Grant Fund--to account for federal receipts used to provide financial support to State agencies and units of local government and to pay administrative costs associated with the juvenile accountability incentive block grant program.

**Industrial Commission**

Rate Adjustment Fund--to provide annual adjustments to compensation payments awarded for death benefits and permanent total disability. This fund is financed through assessments on self-insured employers and insurance carriers based on their past payments of disability compensation.

**Metropolitan Fair and Exposition Authority**

McCormick Place Expansion Project Fund--to receive and record monies obtained from transfers from the Metropolitan Pier and Exposition Authority Trust Fund and the sales tax deposits.

**State Board of Elections**

Help Illinois Vote Fund--to account for funds received from the implementation of the Federal Help America Vote Act of 2002 for use in the performance of activities and programs authorized or mandated by the Federal Help America Vote Act of 2002.

**State Fire Marshal**

Underground Storage Tank Fund--to record underground storage tank registration fees collected by the State Fire Marshal expended for the purposes of the Leaking Underground Storage Tank program.

**Student Assistance Commission**

Federal Student Loan Fund--to account for the Federal Family Education Loan Program which funds the repayment of guaranteed loans that have gone into default to lenders.

*State of Illinois*

# Combining Balance Sheet
# Non-major Special Revenue Funds
**June 30, 2003 (Expressed in Thousands)**

| | Treasurer | | | | | | |
|---|---|---|---|---|---|---|---|
| | Tobacco Settlement Recovery Fund | Children and Family Services | Commerce and Community Affairs | Natural Resources | Human Services | Public Aid | Revenue |
| **ASSETS** | | | | | | | |
| Cash equity with State Treasurer | $ 42,246 | $ 48,792 | $ 136,122 | $ 36,881 | $ 96,246 | $ 47,636 | $ 560,026 |
| Cash and cash equivalents | | | | 1 | 2,546 | 1,111 | |
| Investments | | | 184 | | | | |
| Receivables, net: | | | | | | | |
| Taxes | | | 6,331 | | | | 180,177 |
| Intergovernmental | 15,465 | 162,172 | 10,406 | | 57,014 | 72,163 | |
| Other | 47 | | 23 | | 12,229 | 21,004 | 85 |
| Due from other funds | 59 | 34 | 8,575 | 1,637 | 14,570 | 3 | 94,463 |
| Due from component units | | | | | | | |
| Inventories | 76 | | | | 247 | | |
| Loans and notes receivable, net | | | 9,323 | | | | |
| Other assets | | | 10,204 | | 318 | 775 | |
| **Total assets** | $ 57,893 | $ 210,998 | $ 181,168 | $ 38,519 | $ 183,170 | $ 142,692 | $ 834,751 |
| **LIABILITIES** | | | | | | | |
| Accounts payable and accrued liabilities | $ 21,881 | $ 41,942 | $ 13,769 | $ 25,612 | $ 65,386 | $ 20,413 | $ 33,282 |
| Intergovernmental payables | 1,266 | 490 | 4,542 | 22 | 8,645 | 68,106 | 647,694 |
| Due to other funds | 10 | 653 | 4,190 | 143 | 37,472 | 3,124 | 69,750 |
| Due to component units | 2,263 | 2,709 | 373 | | 6,007 | | |
| Deferred revenues | | 22,670 | 775 | 72 | 34,554 | 31,830 | 13,224 |
| Matured portion of long-term liabilities | | | | | | | |
| **Total liabilities** | 25,420 | 68,464 | 23,649 | 25,849 | 152,064 | 123,473 | 763,950 |
| **FUND BALANCES** | | | | | | | |
| Reserved for: | | | | | | | |
| Encumbrances | 1,317 | 3 | 6,201 | 39,734 | 486 | 8 | 1,122 |
| Long-term portion of: | | | | | | | |
| Other receivables | | | | | | | |
| Loans and notes receivable | | | 8,843 | | | | |
| Other assets | | | 10,204 | | | | |
| Inventories | 76 | | | | 247 | | |
| Unreserved | 31,080 | 142,531 | 132,271 | (27,064) | 30,373 | 19,211 | 69,679 |
| **Total fund balances** | 32,473 | 142,534 | 157,519 | 12,670 | 31,106 | 19,219 | 70,801 |
| **Total liabilities and fund balances** | $ 57,893 | $ 210,998 | $ 181,168 | $ 38,519 | $ 183,170 | $ 142,692 | $ 834,751 |

| Transportation | Other Departments | Environmental Protection Agency | State Board of Education | Other Agencies, Boards and Authorities | Student Assistance Commission Federal Student Loan Fund | Other | Total |
|---|---|---|---|---|---|---|---|
| $ 28,848 | $ 113,403 | $ 47,099 | $ 50,166 | $ 96,139 | $ 47,004 | $ 687,131 | $ 2,037,739 |
| | 5 | | | | | 20,519 | 24,182 |
| | | | | | | 3,116 | 3,300 |
| | 2,889 | | | 13,545 | | 5,939 | 208,881 |
| 8,953 | 33,322 | | 91,737 | | 18,171 | 55,212 | 524,615 |
| 14 | 8 | 1,883 | 198 | 22 | 43 | 36,876 | 72,432 |
| 42,236 | 5,250 | | 2,939 | 27 | 19,731 | 49,912 | 239,436 |
| | 3 | | | | | 130 | 133 |
| | 11,553 | | 3,134 | | | 6,072 | 21,082 |
| 26,834 | | | 18,547 | | | 33,222 | 87,926 |
| | | | | | | 68 | 11,365 |
| $ 106,885 | $ 166,433 | $ 48,982 | $ 166,721 | $ 109,733 | $ 84,949 | $ 898,197 | $ 3,231,091 |
| | | | | | | | |
| $ 6,446 | $ 25,884 | $ 5,417 | $ 19,045 | $ 7,130 | $ 10,365 | $ 67,341 | $ 363,913 |
| 45,157 | 17,183 | 4 | 79,159 | 2,463 | 11,203 | 29,240 | 915,174 |
| | 6,247 | 16,121 | 715 | 18,894 | 2,242 | 31,056 | 190,617 |
| | 823 | 10 | 724 | | | 8,335 | 21,244 |
| 5,078 | 12,241 | 918 | 22,313 | 53,866 | 61,139 | 62,453 | 321,133 |
| | | | 9,360 | | | 2,506 | 11,866 |
| 56,681 | 62,378 | 22,470 | 131,316 | 82,353 | 84,949 | 200,931 | 1,823,947 |
| 67,330 | 2,528 | 316 | 209 | 4,927 | | 72,169 | 196,350 |
| | | | | | | 2,953 | 2,953 |
| 25,170 | | | 6,542 | | | 30,053 | 70,608 |
| | | | | | | 4,065 | 14,269 |
| | 11,553 | | 3,134 | | | 6,072 | 21,082 |
| (42,296) | 89,974 | 26,196 | 25,520 | 22,453 | | 581,954 | 1,101,882 |
| 50,204 | 104,055 | 26,512 | 35,405 | 27,380 | | 697,266 | 1,407,144 |
| $ 106,885 | $ 166,433 | $ 48,982 | $ 166,721 | $ 109,733 | $ 84,949 | $ 898,197 | $ 3,231,091 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
## Non-major Special Revenue Funds
**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Treasurer | | | | | | |
|---|---|---|---|---|---|---|---|
| | Tobacco Settlement Recovery Fund | Children and Family Services | Commerce and Community Affairs | Natural Resources | Human Services | Public Aid | Revenue |
| **REVENUES** | | | | | | | |
| Income taxes | | | | | | | $ 539,175 |
| Sales taxes | | | | | | | 2,205,797 |
| Motor fuel taxes | | | | | | | |
| Public utility taxes | | | $ 79,162 | | | | 310,988 |
| Other taxes | | | | $ 14,748 | | | 769,306 |
| Federal government | $ 114,186 | $ 510,101 | 150,760 | 883 | $ 1,732,917 | $ 261,883 | |
| Licenses and fees | | | | 6,039 | 2,281 | 78 | 1,015 |
| Interest and other investment income | 549 | | 5,464 | | 271 | | 1,029 |
| Other | 318,998 | 2,986 | 187 | | 5,420 | 52,392 | |
| **Total revenues** | 433,733 | 513,087 | 235,573 | 21,670 | 1,740,889 | 314,353 | 3,827,310 |
| **EXPENDITURES** | | | | | | | |
| Current: | | | | | | | |
| Health and social services | 378,472 | 456,526 | 178,954 | | 1,795,746 | 334,878 | |
| Education | 5,527 | | 860 | | | | |
| General government | 1,162 | | 4,132 | | | | 104,344 |
| Employment and economic development | 3,024 | | 115,833 | | | | 36,043 |
| Transportation | | | 346 | | | | |
| Public protection and justice | | | | | | | |
| Environment and business regulations | 1,142 | | 1,818 | 59,186 | | | |
| Debt service: | | | | | | | |
| Principal | | | | 16 | 56 | | |
| Interest | | | | 2 | 3 | | |
| Capital outlays | 6,697 | | 81 | 1,515 | 253 | 52 | 13 |
| Intergovernmental | | | | | | | 3,463,631 |
| **Total expenditures** | 396,024 | 456,526 | 302,024 | 60,719 | 1,796,058 | 334,930 | 3,604,031 |
| **Excess (deficiency) of revenues over (under) expenditures** | 37,709 | 56,561 | (66,451) | (39,049) | (55,169) | (20,577) | 223,279 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | | |
| Transfers-in | | | 36,544 | 20,000 | 64,447 | 38,000 | 956,900 |
| Transfers-out | (48,800) | | (3,339) | (41,700) | (72) | | (1,179,051) |
| Capital lease financing | | | | | 22 | | |
| **Net other sources (uses) of financial resources** | (48,800) | | 33,205 | (21,700) | 64,397 | 38,000 | (222,151) |
| **Net change in fund balances** | (11,091) | 56,561 | (33,246) | (60,749) | 9,228 | 17,423 | 1,128 |
| Fund balances, July 1, 2002 | 43,564 | 85,973 | 190,765 | 73,419 | 23,870 | 1,796 | 69,673 |
| Increase (decrease) for changes in inventories | | | | | (1,992) | | |
| **FUND BALANCES, JUNE 30, 2003** | $ 32,473 | $ 142,534 | $ 157,519 | $ 12,670 | $ 31,106 | $ 19,219 | $ 70,801 |

| Transportation | Other Departments | Environmental Protection Agency | State Board of Education | Other Agencies, Boards and Authorities | Student Assistance Commission Federal Student Loan Fund | Other | Total |
|---|---|---|---|---|---|---|---|
| | | | | | | | $ 539,175 |
| | | | | $ 96,571 | | | 2,302,368 |
| | | | | 72,426 | | | 72,426 |
| | $ 28,189 | | | 96,914 | | $ 35,088 | 550,341 |
| | | | | 20,000 | | 104,564 | 908,618 |
| $ 84,581 | 535,349 | $ 6,101 | $ 1,549,451 | 10,450 | $ 116,941 | 432,480 | 5,506,083 |
| | 154 | 1,851 | 11,671 | 109 | | 343,573 | 366,771 |
| 950 | | 148 | 1,259 | 116 | 777 | 8,087 | 18,650 |
| 7,011 | 102,697 | 7,624 | 8,019 | 8,709 | | 212,327 | 726,370 |
| 92,542 | 666,389 | 15,724 | 1,570,400 | 305,295 | 117,718 | 1,136,119 | 10,990,802 |
| | 145,236 | | | | | 201,706 | 3,491,518 |
| | 80,115 | | 1,571,639 | 10,789 | 117,718 | 71,450 | 1,858,098 |
| | 53,410 | 2,665 | 1 | 1,328 | | 165,884 | 332,926 |
| | 370,200 | | | 88,898 | | 177,664 | 791,662 |
| 344,649 | | | | | | 67,099 | 412,094 |
| | 45,371 | | | 13,617 | | 205,255 | 264,243 |
| | 1,125 | 84,172 | | 85,323 | | 321,141 | 553,907 |
| | 890 | 8 | | 6 | | 866 | 1,842 |
| | 132 | 1 | | 2 | | 123 | 263 |
| | 2,812 | 90 | 133 | 145 | | 14,286 | 26,077 |
| | | | | | | 19,795 | 3,483,426 |
| 344,649 | 699,291 | 86,936 | 1,571,773 | 200,108 | 117,718 | 1,245,269 | 11,216,056 |
| (252,107) | (32,902) | (71,212) | (1,373) | 105,187 | -- -- | (109,150) | (225,254) |
| 273,516 | 1,689 | 51,385 | | 10,254 | | 243,651 | 1,696,386 |
| (10,049) | | (343) | (10,000) | (188,152) | | (177,002) | (1,658,508) |
| | | | | 6 | | 1,273 | 1,301 |
| 263,467 | 1,689 | 51,042 | (10,000) | (177,892) | | 67,922 | 39,179 |
| 11,360 | (31,213) | (20,170) | (11,373) | (72,705) | -- -- | (41,228) | (186,075) |
| 38,844 | 130,633 | 46,682 | 46,169 | 100,085 | | 738,399 | 1,589,872 |
| | 4,635 | | 609 | | | 95 | 3,347 |
| $ 50,204 | $ 104,055 | $ 26,512 | $ 35,405 | $ 27,380 | $ -- -- | $ 697,266 | $ 1,407,144 |

*State of Illinois*

# Combining Balance Sheet - Non-major Special Revenue Funds
## Children and Family Services
**June 30, 2003 (Expressed in Thousands)**

| | DCFS Training Fund | DCFS Childrens' Services Fund | DCFS Federal Projects Fund | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash equity with State Treasurer | $ 6,451 | $ 39,170 | $ 3,171 | $ 48,792 |
| Intergovernmental receivables, net | 12,016 | 142,492 | 7,664 | 162,172 |
| Due from other funds | | | 34 | 34 |
| **Total assets** | $ 18,467 | $ 181,662 | $ 10,869 | $ 210,998 |
| **LIABILITIES** | | | | |
| Accounts payable and accrued liabilities | $ 260 | $ 41,160 | $ 522 | $ 41,942 |
| Intergovernmental payables | 274 | 187 | 29 | 490 |
| Due to other funds | | 170 | 483 | 653 |
| Due to component units | 518 | 2,076 | 115 | 2,709 |
| Deferred revenues | 8,858 | 6,580 | 7,232 | 22,670 |
| **Total liabilities** | 9,910 | 50,173 | 8,381 | 68,464 |
| **FUND BALANCES** | | | | |
| Reserved for encumbrances | | | 3 | 3 |
| Unreserved | 8,557 | 131,489 | 2,485 | 142,531 |
| **Total fund balances** | 8,557 | 131,489 | 2,488 | 142,534 |
| **Total liabilities and fund balances** | $ 18,467 | $ 181,662 | $ 10,869 | $ 210,998 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Special Revenue Funds
## Children and Family Services
**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | DCFS Training Fund | DCFS Childrens' Services Fund | DCFS Federal Projects Fund | Total |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Federal government | $ 13,927 | $ 482,124 | $ 14,050 | $ 510,101 |
| Other | | 2,986 | | 2,986 |
| **Total revenues** | 13,927 | 485,110 | 14,050 | 513,087 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Health and social services | 10,342 | 433,000 | 13,184 | 456,526 |
| **Total expenditures** | 10,342 | 433,000 | 13,184 | 456,526 |
| **Net change in fund balances** | 3,585 | 52,110 | 866 | 56,561 |
| Fund balances, July 1, 2002 | 4,972 | 79,379 | 1,622 | 85,973 |
| **FUND BALANCES, JUNE 30, 2003** | $ 8,557 | $ 131,489 | $ 2,488 | $ 142,534 |

*State of Illinois*

# Combining Balance Sheet - Non-major Special Revenue Funds
## Commerce and Community Affairs
**June 30, 2003 (Expressed in Thousands)**

| | Supplemental Low Income Energy Assistance Fund | Fund For Illinois' Future | Tourism Promotion Fund | Low Income Home Energy Assistance Block Grant Fund | Community Development/ Small Cities Block Grant Fund | Build Illinois Capital Revolving Loan Fund | Total |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| Cash equity with State Treasurer | $ 22,557 | $ 71,234 | $ 19,131 | $ 14 | $ 25 | $ 23,161 | $ 136,122 |
| Investments | | | | | | 184 | 184 |
| Receivables, net: | | | | | | | |
| Taxes | 6,331 | | | | | | 6,331 |
| Intergovernmental | | | | 6,142 | 4,264 | | 10,406 |
| Other | | | | | | 23 | 23 |
| Due from other funds | | | 7,923 | 652 | | | 8,575 |
| Loans and notes receivable, net | | | 22 | | | 9,301 | 9,323 |
| Other assets | | | | | | 10,204 | 10,204 |
| **Total assets** | $ 28,888 | $ 71,234 | $ 27,076 | $ 6,808 | $ 4,289 | $ 42,873 | $ 181,168 |
| **LIABILITIES** | | | | | | | |
| Accounts payable and accrued liabilities | $ 628 | $ 1,767 | $ 7,023 | $ 3,985 | $ 328 | $ 38 | $ 13,769 |
| Intergovernmental payables | 107 | 1,452 | 351 | 631 | 1,999 | 2 | 4,542 |
| Due to other funds | 764 | | 53 | 2,192 | 1,173 | 8 | 4,190 |
| Due to component units | 134 | 134 | 91 | | 14 | | 373 |
| Deferred revenues | | | | | 775 | | 775 |
| **Total liabilities** | 1,633 | 3,353 | 7,518 | 6,808 | 4,289 | 48 | 23,649 |
| **FUND BALANCES** | | | | | | | |
| Reserved for: | | | | | | | |
| Encumbrances | 8 | 6,114 | | | 77 | 2 | 6,201 |
| Long-term portion of: | | | | | | | |
| Loans and notes receivable | | | 20 | | | 8,823 | 8,843 |
| Other assets | | | | | | 10,204 | 10,204 |
| Unreserved | 27,247 | 61,767 | 19,538 | | (77) | 23,796 | 132,271 |
| **Total fund balances** | 27,255 | 67,881 | 19,558 | | -- -- | 42,825 | 157,519 |
| **Total liabilities and fund balances** | $ 28,888 | $ 71,234 | $ 27,076 | $ 6,808 | $ 4,289 | $ 42,873 | $ 181,168 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Special Revenue Funds Commerce and Community Affairs

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Supplemental Low Income Energy Assistance Fund | Fund For Illinois' Future | Tourism Promotion Fund | Low Income Home Energy Assistance Block Grant Fund | Community Development/ Small Cities Block Grant Fund | Build Illinois Capital Revolving Loan Fund | Total |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Public utility taxes | $ 79,162 | | | | | | $ 79,162 |
| Federal government | | | | $ 107,370 | $ 43,390 | | 150,760 |
| Interest and other investment income | | | | | | $ 5,464 | 5,464 |
| Other | | | | | 39 | 148 | 187 |
| **Total revenues** | 79,162 | | | 107,370 | 43,429 | 5,612 | 235,573 |
| **EXPENDITURES** | | | | | | | |
| Current: | | | | | | | |
| Health and social services | 73,759 | | | 105,195 | | | 178,954 |
| Education | | $ 860 | | | | | 860 |
| General government | 43 | 4,089 | | | | | 4,132 |
| Employment and economic development | 739 | 31,871 | $ 33,964 | | 42,265 | 6,994 | 115,833 |
| Transportation | | 346 | | | | | 346 |
| Environment and business regulations | | 1,818 | | | | | 1,818 |
| Capital outlays | 34 | | 47 | | | | 81 |
| **Total expenditures** | 74,575 | 38,984 | 34,011 | 105,195 | 42,265 | 6,994 | 302,024 |
| **Excess (deficiency) of revenues over (under) expenditures** | 4,587 | (38,984) | (34,011) | 2,175 | 1,164 | (1,382) | (66,451) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | | |
| Transfers-in | | | 36,544 | | | | 36,544 |
| Transfers-out | | | | (2,175) | (1,164) | | (3,339) |
| **Net other sources (uses) of financial resources** | | | 36,544 | (2,175) | (1,164) | | 33,205 |
| **Net change in fund balances** | 4,587 | (38,984) | 2,533 | -- -- | -- -- | (1,382) | (33,246) |
| Fund balances, July 1, 2002 | 22,668 | 106,865 | 17,025 | | | 44,207 | 190,765 |
| **FUND BALANCES, JUNE 30, 2003** | $ 27,255 | $ 67,881 | $ 19,558 | $ -- -- | $ -- -- | $ 42,825 | $ 157,519 |

*State of Illinois*

# Combining Balance Sheet - Non-major Special Revenue Funds
## Natural Resources
**June 30, 2003 (Expressed in Thousands)**

| | Open Space Lands Acquisition and Development Fund | Park and Conservation Fund | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash equity with State Treasurer | $ 27,022 | $ 9,859 | $ 36,881 |
| Cash and cash equivalents | | 1 | 1 |
| Due from other funds | | 1,637 | 1,637 |
| **Total assets** | $ 27,022 | $ 11,497 | $ 38,519 |
| **LIABILITIES** | | | |
| Accounts payable and accrued liabilities | $ 18,254 | $ 7,358 | $ 25,612 |
| Intergovernmental payables | 1 | 21 | 22 |
| Due to other funds | 4 | 139 | 143 |
| Deferred revenues | | 72 | 72 |
| **Total liabilities** | 18,259 | 7,590 | 25,849 |
| **FUND BALANCES** | | | |
| Reserved for encumbrances | 30,313 | 9,421 | 39,734 |
| Unreserved | (21,550) | (5,514) | (27,064) |
| **Total fund balances** | 8,763 | 3,907 | 12,670 |
| **Total liabilities and fund balances** | $ 27,022 | $ 11,497 | $ 38,519 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds

## Natural Resources

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Open Space Lands Acquisition and Development Fund | Park and Conservation Fund | Total |
|---|---|---|---|
| **REVENUES** | | | |
| Other taxes | $ 14,748 | | $ 14,748 |
| Federal government | | $ 883 | 883 |
| Licenses and fees | | 6,039 | 6,039 |
| **Total revenues** | 14,748 | 6,922 | 21,670 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Environment and business regulations | 38,481 | 20,705 | 59,186 |
| Debt service: | | | |
| Principal | | 16 | 16 |
| Interest | | 2 | 2 |
| Capital outlays | | 1,515 | 1,515 |
| **Total expenditures** | 38,481 | 22,238 | 60,719 |
| **Excess (deficiency) of revenues over (under) expenditures** | (23,733) | (15,316) | (39,049) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | |
| Transfers-in | | 20,000 | 20,000 |
| Transfers-out | (29,000) | (12,700) | (41,700) |
| **Net other sources (uses) of financial resources** | (29,000) | 7,300 | (21,700) |
| **Net change in fund balances** | (52,733) | (8,016) | (60,749) |
| Fund balances, July 1, 2002 | 61,496 | 11,923 | 73,419 |
| **FUND BALANCES, JUNE 30, 2003** | $ 8,763 | $ 3,907 | $ 12,670 |

*State of Illinois*

# Combining Balance Sheet - Non-major Special Revenue Funds
## Human Services
**June 30, 2003 (Expressed in Thousands)**

| | Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund | Vocational Rehabilitation Fund | DHS Special Purposes Trust Fund | Old Age Survivors Insurance Fund | Early Intervention Services Revolving Fund | USDA Women, Infants and Children Fund | Community Mental Health Medical Fund |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| Cash equity with State Treasurer | $ 121 | $ 4,804 | $ 45,831 | $ 57 | $ 30,720 | $ 5,047 | $ 1,629 |
| Cash and cash equivalents | | | | | | 2,546 | |
| Receivables, net: | | | | | | | |
| Intergovernmental | 4,062 | 15,145 | 3,946 | 2,547 | 5,156 | | 15,982 |
| Other | | 80 | | | 330 | 11,817 | 2 |
| Due from other funds | 1 | | 776 | | 13,791 | 2 | |
| Inventories | | | | 247 | | | |
| Other assets | | | | | | | |
| **Total assets** | $ 4,184 | $ 20,029 | $ 50,553 | $ 2,851 | $ 49,997 | $ 19,412 | $ 17,613 |
| **LIABILITIES** | | | | | | | |
| Accounts payable and accrued liabilities | $ 3,761 | $ 7,265 | $ 11,241 | $ 2,116 | $ 13,245 | $ 7,351 | $ 16,620 |
| Intergovernmental payables | 180 | 119 | 677 | 77 | 189 | 2,822 | 893 |
| Due to other funds | 28 | 722 | 36,145 | 411 | 10 | 73 | |
| Due to component units | 190 | 194 | 1,587 | | 59 | 8 | 63 |
| Deferred revenues | | 2,844 | 2,735 | | 5,240 | 9,158 | 6,351 |
| **Total liabilities** | 4,159 | 11,144 | 52,385 | 2,604 | 18,743 | 19,412 | 23,927 |
| **FUND BALANCES (DEFICITS)** | | | | | | | |
| Reserved for: | | | | | | | |
| Encumbrances | | 449 | | 13 | 24 | | |
| Inventories | | | | 247 | | | |
| Unreserved | 25 | 8,436 | (1,832) | (13) | 31,230 | | (6,314) |
| **Total fund balances (deficits)** | 25 | 8,885 | (1,832) | 247 | 31,254 | | (6,314) |
| **Total liabilities and fund balances** | $ 4,184 | $ 20,029 | $ 50,553 | $ 2,851 | $ 49,997 | $ 19,412 | $ 17,613 |

| Local Initiative Fund | Maternal and Child Health Services Block Grant Fund | Food Stamp and Commodity Fund | Total |
|---|---|---|---|
| $ 8,028 | $ 9 | | $ 96,246 |
| | | | 2,546 |
| | 10,176 | | 57,014 |
| | | | 12,229 |
| | | | 14,570 |
| | | | 247 |
| | | $ 318 | 318 |
| $ 8,028 | $ 10,185 | $ 318 | $ 183,170 |
| $ 2,206 | $ 1,581 | | $ 65,386 |
| 225 | 3,463 | | 8,645 |
| 29 | 54 | | 37,472 |
| 18 | 3,888 | | 6,007 |
| 5,550 | 2,358 | $ 318 | 34,554 |
| 8,028 | 11,344 | 318 | 152,064 |
| | | | 486 |
| | | | 247 |
| | (1,159) | | 30,373 |
| | (1,159) | | 31,106 |
| $ 8,028 | $ 10,185 | $ 318 | $ 183,170 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds

## Human Services

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund | Vocational Rehabilitation Fund | DHS Special Purposes Trust Fund | Old Age Survivors Insurance Fund | Early Intervention Services Revolving Fund | USDA Women, Infants and Children Fund | Community Mental Health Medical Fund |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Federal government | $ 67,250 | $ 98,775 | $ 165,246 | $ 56,370 | $ 45,939 | $ 168,575 | $ 60,395 |
| Licenses and fees | | | | | 2,281 | | |
| Interest and other investment income | | 1 | | | 189 | 44 | 37 |
| Other | | 5,420 | | | | | |
| **Total revenues** | 67,250 | 104,196 | 165,246 | 56,370 | 48,409 | 168,619 | 60,432 |
| **EXPENDITURES** | | | | | | | |
| Current: | | | | | | | |
| Health and social services | 67,225 | 111,248 | 165,738 | 56,170 | 88,739 | 168,619 | 66,746 |
| Debt service: | | | | | | | |
| Principal | | 56 | | | | | |
| Interest | | 3 | | | | | |
| Capital outlays | | 31 | | 200 | | | |
| **Total expenditures** | 67,225 | 111,338 | 165,738 | 56,370 | 88,739 | 168,619 | 66,746 |
| **Excess (deficiency) of revenues over (under) expenditures** | 25 | (7,142) | (492) | -- -- | (40,330) | -- -- | (6,314) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | | |
| Transfers-in | | | | | 64,447 | | |
| Transfers-out | | | (72) | | | | |
| Capital lease financing | | 22 | | | | | |
| **Net other sources (uses) of financial resources** | | 22 | (72) | | 64,447 | | |
| **Net change in fund balances** | 25 | (7,120) | (564) | -- -- | 24,117 | -- -- | (6,314) |
| Fund balances (deficits), July 1, 2002 | | 16,207 | (1,268) | 260 | 7,137 | 1,774 | |
| Increase (decrease) for changes in inventories | | (202) | | (13) | | (1,774) | |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ 25 | $ 8,885 | $ (1,832) | $ 247 | $ 31,254 | $ -- -- | $ (6,314) |

| Local Initiative Fund | Maternal and Child Health Services Block Grant Fund | Food Stamp and Commodity Fund | Total |
|---|---|---|---|
| $ 20,222 | $ 23,865 | $ 1,026,280 | $ 1,732,917 |
| | | | 2,281 |
| | | | 271 |
| | | | 5,420 |
| 20,222 | 23,865 | 1,026,280 | 1,740,889 |
| 20,222 | 24,759 | 1,026,280 | 1,795,746 |
| | | | 56 |
| | | | 3 |
| | 22 | | 253 |
| 20,222 | 24,781 | 1,026,280 | 1,796,058 |
| -- -- | (916) | -- -- | (55,169) |
| | | | 64,447 |
| | | | (72) |
| | | | 22 |
| | | | 64,397 |
| -- -- | (916) | -- -- | 9,228 |
| | (243) | 3 | 23,870 |
| | | (3) | (1,992) |
| $ -- -- | $ (1,159) | $ -- -- | $ 31,106 |

*State of Illinois*

# Combining Balance Sheet - Non-major Special Revenue Funds
## Public Aid
**June 30, 2003 (Expressed in Thousands)**

| | Special Education Medicaid Matching Fund | Trauma Center Fund | Child Support Administration Fund | Public Assistance Recoveries Trust Fund | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash equity with State Treasurer | | $ 8,023 | $ 39,613 | | $ 47,636 |
| Cash and cash equivalents | | | | $ 1,111 | 1,111 |
| Receivables, net: | | | | | |
| Intergovernmental | $ 50,830 | 2,200 | 14,949 | 4,184 | 72,163 |
| Other | | | 21,004 | | 21,004 |
| Due from other funds | | | 3 | | 3 |
| Other assets | | | 775 | | 775 |
| **Total assets** | $ 50,830 | $ 10,223 | $ 76,344 | $ 5,295 | $ 142,692 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued liabilities | | $ 6,977 | $ 12,721 | $ 715 | $ 20,413 |
| Intergovernmental payables | $ 50,830 | 196 | 12,875 | 4,205 | 68,106 |
| Due to other funds | | 4 | 2,745 | 375 | 3,124 |
| Deferred revenues | 29,488 | | 383 | 1,959 | 31,830 |
| **Total liabilities** | 80,318 | 7,177 | 28,724 | 7,254 | 123,473 |
| **FUND BALANCES (DEFICITS)** | | | | | |
| Reserved for encumbrances | 5 | 3 | | | 8 |
| Unreserved | (29,493) | 3,043 | 47,620 | (1,959) | 19,211 |
| **Total fund balances (deficits)** | (29,488) | 3,046 | 47,620 | (1,959) | 19,219 |
| **Total liabilities and fund balances** | $ 50,830 | $ 10,223 | $ 76,344 | $ 5,295 | $ 142,692 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds

## Public Aid

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Special Education Medicaid Matching Fund | Trauma Center Fund | Child Support Administration Fund | Public Assistance Recoveries Trust Fund | Total |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Federal government | $ 136,178 | $ 4,766 | $ 114,251 | $ 6,688 | $ 261,883 |
| Licenses and fees | | | 78 | | 78 |
| Other | | 10,214 | 25,478 | 16,700 | 52,392 |
| **Total revenues** | 136,178 | 14,980 | 139,807 | 23,388 | 314,353 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| Health and social services | 132,534 | 14,213 | 164,426 | 23,705 | 334,878 |
| Capital outlays | | | | 52 | 52 |
| **Total expenditures** | 132,534 | 14,213 | 164,426 | 23,757 | 334,930 |
| **Excess (deficiency) of revenues over (under) expenditures** | 3,644 | 767 | (24,619) | (369) | (20,577) |
| **OTHER SOURCES (USES) OF** | | | | | |
| Transfers-in | | | 38,000 | | 38,000 |
| **Net other sources (uses) of financial resources** | | | 38,000 | | 38,000 |
| **Net change in fund balances** | 3,644 | 767 | 13,381 | (369) | 17,423 |
| Fund balances (deficits), July 1, 2002 | (33,132) | 2,279 | 34,239 | (1,590) | 1,796 |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (29,488) | $ 3,046 | $ 47,620 | $ (1,959) | $ 19,219 |

*State of Illinois*

# Combining Balance Sheet - Non-major Special Revenue Funds
## Revenue
**June 30, 2003 (Expressed in Thousands)**

| | State Gaming Fund | State and Local Sales Tax Reform Fund | County and Mass Transit District Fund | Local Government Tax Fund | Illinois Sports Facilities Fund | Illinois Tax Increment Fund | Local Government Distributive Fund |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| Cash equity with State Treasurer | $ 29,919 | $ 27,906 | $ 43,321 | $ 223,658 | $ 3,500 | $ 5,296 | $ 45 |
| Receivables, net: | | | | | | | |
| Taxes | 3,635 | 10,566 | 16,365 | 84,215 | 3,500 | 1,234 | |
| Other | 10 | | | | | 4 | |
| Due from other funds | | | | | 625 | | 84,388 |
| **Total assets** | $ 33,564 | $ 38,472 | $ 59,686 | $ 307,873 | $ 7,625 | $ 6,534 | $ 84,433 |
| **LIABILITIES** | | | | | | | |
| Accounts payable and accrued liabilities | $ 494 | | | | | $ 461 | |
| Intergovernmental payables | 11,948 | $ 7,495 | $ 37,419 | $ 307,873 | $ 7,625 | 6,462 | $ 83,808 |
| Due to other funds | 16,829 | 29,981 | 21,976 | | | 2 | 625 |
| Deferred revenues | | 996 | 291 | 3,619 | | 61 | |
| **Total liabilities** | 29,271 | 38,472 | 59,686 | 311,492 | 7,625 | 6,986 | 84,433 |
| **FUND BALANCES (DEFICITS)** | | | | | | | |
| Reserved for encumbrances | 641 | | | | | 1 | 452 |
| Unreserved | 3,652 | | | (3,619) | | (453) | (452) |
| **Total fund balances (deficits)** | 4,293 | | | (3,619) | | (452) | -- -- |
| **Total liabilities and fund balances** | $ 33,564 | $ 38,472 | $ 59,686 | $ 307,873 | $ 7,625 | $ 6,534 | $ 84,433 |

| Municipal Telecommunications Fund | Personal Property Tax Replacement Fund | Build Illinois Fund | Total |
|---|---|---|---|
| $ 50,783 | $ 162,430 | $ 13,168 | $ 560,026 |
| 7,116 | 24,281 | 29,265 | 180,177 |
| | 54 | 17 | 85 |
| | | 9,450 | 94,463 |
| $ 57,899 | $ 186,765 | $ 51,900 | $ 834,751 |
| | | | |
| $ 13,339 | $ 9,491 | $ 9,497 | $ 33,282 |
| 44,374 | 140,690 | | 647,694 |
| | 337 | | 69,750 |
| 186 | 6,719 | 1,352 | 13,224 |
| 57,899 | 157,237 | 10,849 | 763,950 |
| | | | |
| | 28 | | 1,122 |
| | 29,500 | 41,051 | 69,679 |
| | 29,528 | 41,051 | 70,801 |
| | | | |
| $ 57,899 | $ 186,765 | $ 51,900 | $ 834,751 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds Revenue

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | State Gaming Fund | State and Local Sales Tax Reform Fund | County and Mass Transit District Fund | Local Government Tax Fund | Illinois Sports Facilities Fund | Illinois Tax Increment Fund | Local Government Distributive Fund |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Income taxes | | | | | | | |
| Sales taxes | | $ 169,438 | $ 289,078 | $ 1,374,210 | | $ 17,321 | |
| Public utility taxes | | | | | | | |
| Other taxes | $ 683,415 | | | | | | |
| Licenses and fees | 1,015 | | | | | | |
| Interest and other investment income | | | | | | 68 | |
| **Total revenues** | 684,430 | 169,438 | 289,078 | 1,374,210 | | 17,389 | |
| **EXPENDITURES** | | | | | | | |
| Current: | | | | | | | |
| General government | 2 | | | | | | |
| Employment and economic development | | | | | $ 5,000 | | |
| Capital outlays | | | | | | | |
| Intergovernmental | 122,762 | 33,888 | 288,684 | 1,374,304 | | 17,358 | $ 876,384 |
| **Total expenditures** | 122,764 | 33,888 | 288,684 | 1,374,304 | 5,000 | 17,358 | 876,384 |
| **Excess (deficiency) of revenues over (under) expenditures** | 561,666 | 135,550 | 394 | (94) | (5,000) | 31 | (876,384) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | | |
| Transfers-in | | | | | 5,000 | | 881,384 |
| Transfers-out | (565,148) | (135,550) | | | | | (5,000) |
| **Net other sources (uses) of financial resources** | (565,148) | (135,550) | | | 5,000 | | 876,384 |
| **Net change in fund balances** | (3,482) | -- -- | 394 | (94) | -- -- | 31 | -- -- |
| Fund balances (deficits), July 1, 2002 | 7,775 | | (394) | (3,525) | | (483) | |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ 4,293 | $ -- -- | $ -- -- | $ (3,619) | $ -- -- | $ (452) | $ -- -- |

| Municipal Telecommuni-cations Fund | Personal Property Tax Replacement Fund | Build Illinois Fund | Total |
|---|---|---|---|
| | $ 539,175 | | $ 539,175 |
| | | $ 355,750 | 2,205,797 |
| $ 104,342 | 206,646 | | 310,988 |
| | | 85,891 | 769,306 |
| | | | 1,015 |
| | 674 | 287 | 1,029 |
| 104,342 | 746,495 | 441,928 | 3,827,310 |
| | | | |
| 104,342 | | | 104,344 |
| | | 31,043 | 36,043 |
| | 13 | | 13 |
| | 750,251 | | 3,463,631 |
| 104,342 | 750,264 | 31,043 | 3,604,031 |
| | | | |
| -- -- | (3,769) | 410,885 | 223,279 |
| | | | |
| | | 70,516 | 956,900 |
| | (261) | (473,092) | (1,179,051) |
| | (261) | (402,576) | (222,151) |
| | | | |
| -- -- | (4,030) | 8,309 | 1,128 |
| | 33,558 | 32,742 | 69,673 |
| $ -- -- | $ 29,528 | $ 41,051 | $ 70,801 |

*State of Illinois*

# Combining Balance Sheet - Non-major Special Revenue Funds
## Transportation
**June 30, 2003 (Expressed in Thousands)**

| | Federal/Local Airport Fund | State Rail Freight Loan Repayment Fund | Public Transportation Fund | Downstate Public Transportation Fund | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash equity with State Treasurer | $ 2,558 | $ 13,535 | | $ 12,755 | $ 28,848 |
| Receivables, net: | | | | | |
| Intergovernmental | 8,953 | | | | 8,953 |
| Other | | 14 | | | 14 |
| Due from other funds | 867 | | $ 41,369 | | 42,236 |
| Loans and notes receivable, net | | 26,834 | | | 26,834 |
| **Total assets** | $ 12,378 | $ 40,383 | $ 41,369 | $ 12,755 | $ 106,885 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued liabilities | $ 6,446 | | | | $ 6,446 |
| Intergovernmental payables | 2,072 | $ 152 | $ 41,369 | $ 1,564 | 45,157 |
| Deferred revenues | 5,078 | | | | 5,078 |
| **Total liabilities** | 13,596 | 152 | 41,369 | 1,564 | 56,681 |
| **FUND BALANCES (DEFICITS)** | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 66,009 | 1,321 | | | 67,330 |
| Long-term portion of loans and notes receivable | | 25,170 | | | 25,170 |
| Unreserved | (67,227) | 13,740 | | 11,191 | (42,296) |
| **Total fund balances (deficits)** | (1,218) | 40,231 | | 11,191 | 50,204 |
| **Total liabilities and fund balances** | $ 12,378 | $ 40,383 | $ 41,369 | $ 12,755 | $ 106,885 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds Transportation

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Federal/Local Airport Fund | State Rail Freight Loan Repayment Fund | Public Transportation Fund | Downstate Public Transportation Fund | Total |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Federal government | $ 84,581 | | | | $ 84,581 |
| Interest and other investment income | | $ 950 | | | 950 |
| Other | 7,011 | | | | 7,011 |
| **Total revenues** | 91,592 | 950 | | | 92,542 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| Transportation | 82,446 | 152 | $ 224,930 | $ 37,121 | 344,649 |
| **Total expenditures** | 82,446 | 152 | 224,930 | 37,121 | 344,649 |
| **Excess (deficiency) of revenues over (under) expenditures** | 9,146 | 798 | (224,930) | (37,121) | (252,107) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | |
| Transfers-in | | 3,012 | 224,930 | 45,574 | 273,516 |
| Transfers-out | (49) | | | (10,000) | (10,049) |
| **Net other sources (uses) of financial resources** | (49) | 3,012 | 224,930 | 35,574 | 263,467 |
| **Net change in fund balances** | 9,097 | 3,810 | -- -- | (1,547) | 11,360 |
| Fund balances (deficits), July 1, 2002 | (10,315) | 36,421 | | 12,738 | 38,844 |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (1,218) | $ 40,231 | $ -- -- | $ 11,191 | $ 50,204 |

*State of Illinois*

# Combining Balance Sheet - Non-major Special Revenue Funds
## Other Departments Funds
**June 30, 2003 (Expressed in Thousands)**

| | Aging | Central Management Services | Corrections | Employment Security | Financial Institutions | Public Health | |
|---|---|---|---|---|---|---|---|
| | Services for Older Americans Fund | Wireless Service Emergency Fund | Department of Corrections Reimbursement Fund | Title III Social Security and Employment Service Fund | State Pensions Fund | Public Health Services Fund | Total |
| **ASSETS** | | | | | | | |
| Cash equity with State Treasurer | $ 127 | $ 6,131 | $ 32,263 | $ 35,202 | $ 33,226 | $ 6,454 | $ 113,403 |
| Cash and cash equivalents | | | | 5 | | | 5 |
| Receivables, net: | | | | | | | |
| Taxes | | 2,889 | | | | | 2,889 |
| Intergovernmental | 10,902 | | 464 | 10,179 | | 11,777 | 33,322 |
| Other | | | | | | 8 | 8 |
| Due from other funds | | | 2,744 | 1,677 | | 829 | 5,250 |
| Due from component units | | | | | | 3 | 3 |
| Inventories | | | | 2,027 | | 9,526 | 11,553 |
| **Total assets** | $ 11,029 | $ 9,020 | $ 35,471 | $ 49,090 | $ 33,226 | $ 28,597 | $ 166,433 |
| **LIABILITIES** | | | | | | | |
| Accounts payable and accrued liabilities | $ 5,708 | | $ 3,892 | $ 8,954 | $ 428 | $ 6,902 | $ 25,884 |
| Intergovernmental payables | 5,227 | $ 8,860 | | 297 | 8 | 2,791 | 17,183 |
| Due to other funds | 67 | 160 | 109 | 5,078 | 30 | 803 | 6,247 |
| Due to component units | | | 20 | 174 | | 629 | 823 |
| Deferred revenues | 135 | | 1,518 | 360 | | 10,228 | 12,241 |
| **Total liabilities** | 11,137 | 9,020 | 5,539 | 14,863 | 466 | 21,353 | 62,378 |
| **FUND BALANCES (DEFICITS)** | | | | | | | |
| Reserved for: | | | | | | | |
| Encumbrances | | 3 | 1,418 | 187 | | 920 | 2,528 |
| Inventories | | | | 2,027 | | 9,526 | 11,553 |
| Unreserved | (108) | (3) | 28,514 | 32,013 | 32,760 | (3,202) | 89,974 |
| **Total fund balances (deficits)** | (108) | -- -- | 29,932 | 34,227 | 32,760 | 7,244 | 104,055 |
| **Total liabilities and fund balances** | $ 11,029 | $ 9,020 | $ 35,471 | $ 49,090 | $ 33,226 | $ 28,597 | $ 166,433 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds Other Departments Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Aging | Central Management Services | Corrections | Employment Security | Financial Institutions | Public Health | |
|---|---|---|---|---|---|---|---|
| | Services for Older Americans Fund | Wireless Service Emergency Fund | Department of Corrections Reimbursement Fund | Title III Social Security and Employment Service Fund | State Pensions Fund | Public Health Services Fund | Total |
| **REVENUES** | | | | | | | |
| Public utility taxes | | $ 28,189 | | | | | $ 28,189 |
| Federal government | $ 61,333 | | $ 27,724 | $ 361,948 | | $ 84,344 | 535,349 |
| Licenses and fees | | | | 154 | | | 154 |
| Other | | | 11,942 | 1,637 | $ 89,003 | 115 | 102,697 |
| **Total revenues** | 61,333 | 28,189 | 39,666 | 363,739 | 89,003 | 84,459 | 666,389 |
| **EXPENDITURES** | | | | | | | |
| Current: | | | | | | | |
| Health and social services | 61,256 | | | | | 83,980 | 145,236 |
| Education | | | | | 80,115 | | 80,115 |
| General government | | 28,189 | | | 25,221 | | 53,410 |
| Employment and economic development | | | | 370,200 | | | 370,200 |
| Public protection and justice | | | 43,146 | | 2,225 | | 45,371 |
| Environment and business regulations | | | | | 1,125 | | 1,125 |
| Debt service: | | | | | | | |
| Principal | | | 841 | | 49 | | 890 |
| Interest | | | 129 | | 3 | | 132 |
| Capital outlays | | | 147 | 2,350 | 172 | 143 | 2,812 |
| **Total expenditures** | 61,256 | 28,189 | 44,263 | 372,550 | 108,910 | 84,123 | 699,291 |
| **Excess (deficiency) of revenues over (under) expenditures** | 77 | -- -- | (4,597) | (8,811) | (19,907) | 336 | (32,902) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | | |
| Transfers-in | | | | 1,689 | | | 1,689 |
| **Net other sources (uses) of financial resources** | | | | 1,689 | | | 1,689 |
| **Net change in fund balances** | 77 | -- -- | (4,597) | (7,122) | (19,907) | 336 | (31,213) |
| Fund balances (deficits), July 1, 2002 | (185) | | 34,529 | 41,343 | 52,667 | 2,279 | 130,633 |
| Increase (decrease) for changes in inventories | | | | 6 | | 4,629 | 4,635 |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (108) | $ -- -- | $ 29,932 | $ 34,227 | $ 32,760 | $ 7,244 | $ 104,055 |

*State of Illinois*

# Combining Balance Sheet - Non-major Special Revenue Funds
# Environmental Protection Agency
**June 30, 2003 (Expressed in Thousands)**

| | Brownfields Redevelopment Fund | Hazardous Waste Fund | Vehicle Inspection Fund | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash equity with State Treasurer | $ 9,574 | $ 31,190 | $ 6,335 | $ 47,099 |
| Other | 10 | 1,873 | | 1,883 |
| **Total assets** | $ 9,584 | $ 33,063 | $ 6,335 | $ 48,982 |
| **LIABILITIES** | | | | |
| Accounts payable and accrued liabilities | $ 43 | $ 1,008 | $ 4,366 | $ 5,417 |
| Intergovernmental payables | | | 4 | 4 |
| Due to other funds | 7,144 | 8,946 | 31 | 16,121 |
| Due to component units | | | 10 | 10 |
| Deferred revenues | | 918 | | 918 |
| **Total liabilities** | 7,187 | 10,872 | 4,411 | 22,470 |
| **FUND BALANCES** | | | | |
| Reserved for encumbrances | | 283 | 33 | 316 |
| Unreserved | 2,397 | 21,908 | 1,891 | 26,196 |
| **Total fund balances** | 2,397 | 22,191 | 1,924 | 26,512 |
| **Total liabilities and fund balances** | $ 9,584 | $ 33,063 | $ 6,335 | $ 48,982 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds Environmental Protection Agency

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Brownfields Redevelopment Fund | Hazardous Waste Fund | Vehicle Inspection Fund | Total |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Federal government | $ 13 | | $ 6,088 | $ 6,101 |
| Licenses and fees | | $ 1,597 | 254 | 1,851 |
| Interest and other investment income | 148 | | | 148 |
| Other | | 7,624 | | 7,624 |
| **Total revenues** | 161 | 9,221 | 6,342 | 15,724 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | | | 2,665 | 2,665 |
| Environment and business regulations | 2,497 | 22,639 | 59,036 | 84,172 |
| Debt service: | | | | |
| Principal | | | 8 | 8 |
| Interest | | | 1 | 1 |
| Capital outlays | | 57 | 33 | 90 |
| **Total expenditures** | 2,497 | 22,696 | 61,743 | 86,936 |
| **Excess (deficiency) of revenues over (under) expenditures** | (2,336) | (13,475) | (55,401) | (71,212) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | |
| Transfers-in | 2,480 | 18,905 | 30,000 | 51,385 |
| Transfers-out | | (144) | (199) | (343) |
| **Net other sources (uses) of financial resources** | 2,480 | 18,761 | 29,801 | 51,042 |
| **Net change in fund balances** | 144 | 5,286 | (25,600) | (20,170) |
| Fund balances, July 1, 2002 | 2,253 | 16,905 | 27,524 | 46,682 |
| **FUND BALANCES, JUNE 30, 2003** | $ 2,397 | $ 22,191 | $ 1,924 | $ 26,512 |

*State of Illinois*

# Combining Balance Sheet - Non-major Special Revenue Funds
## State Board of Education
**June 30, 2003 (Expressed in Thousands)**

| | Drivers Education Fund | SBE Federal Department of Agriculture Fund | SBE Federal Department of Education Fund | School Technology Revolving Loan Program Fund | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash equity with State Treasurer | $ 3,506 | $ 506 | $ 1,440 | $ 44,714 | $ 50,166 |
| Receivables, net: | | | | | |
| Intergovernmental | 569 | 38,408 | 52,760 | | 91,737 |
| Other | | 122 | | 76 | 198 |
| Due from other funds | 2,019 | 41 | 879 | | 2,939 |
| Inventories | | 3,134 | | | 3,134 |
| Loans and notes receivable, net | | | | 18,547 | 18,547 |
| **Total assets** | $ 6,094 | $ 42,211 | $ 55,079 | $ 63,337 | $ 166,721 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued liabilities | $ 28 | $ 14,921 | $ 4,096 | | $ 19,045 |
| Intergovernmental payables | 15,750 | 23,043 | 40,057 | $ 309 | 79,159 |
| Due to other funds | 1 | 558 | 156 | | 715 |
| Due to component units | | 249 | 475 | | 724 |
| Deferred revenues | | 7,181 | 15,132 | | 22,313 |
| Matured portion of long-term liabilities | | | 9,360 | | 9,360 |
| **Total liabilities** | 15,779 | 45,952 | 69,276 | 309 | 131,316 |
| **FUND BALANCES (DEFICITS)** | | | | | |
| Reserved for: | | | | | |
| Encumbrances | | | 209 | | 209 |
| Long-term portion of loans and notes receivable | | | | 6,542 | 6,542 |
| Inventories | | 3,134 | | | 3,134 |
| Unreserved | (9,685) | (6,875) | (14,406) | 56,486 | 25,520 |
| **Total fund balances (deficits)** | (9,685) | (3,741) | (14,197) | 63,028 | 35,405 |
| **Total liabilities and fund balances** | $ 6,094 | $ 42,211 | $ 55,079 | $ 63,337 | $ 166,721 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds State Board of Education

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Drivers Education Fund | SBE Federal Department of Agriculture Fund | SBE Federal Department of Education Fund | School Technology Revolving Loan Program Fund | Total |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Federal government | | $ 431,870 | $ 1,117,581 | | $ 1,549,451 |
| Licenses and fees | $ 11,671 | | | | 11,671 |
| Interest and other investment income | | | | $ 1,259 | 1,259 |
| Other | 7,132 | 41 | | 846 | 8,019 |
| **Total revenues** | 18,803 | 431,911 | 1,117,581 | 2,105 | 1,570,400 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| Education | 16,119 | 435,653 | 1,119,867 | | 1,571,639 |
| General government | 1 | | | | 1 |
| Capital outlays | 4 | 42 | 87 | | 133 |
| **Total expenditures** | 16,124 | 435,695 | 1,119,954 | | 1,571,773 |
| **Excess (deficiency) of revenues over (under) expenditures** | 2,679 | (3,784) | (2,373) | 2,105 | (1,373) |
| **OTHER SOURCES (USES) OF** | | | | | |
| Transfers-out | (5,000) | | | (5,000) | (10,000) |
| **Net other sources (uses) of financial resources** | (5,000) | | | (5,000) | (10,000) |
| **Net change in fund balances** | (2,321) | (3,784) | (2,373) | (2,895) | (11,373) |
| Fund balances (deficits), July 1, 2002 | (7,364) | (566) | (11,824) | 65,923 | 46,169 |
| Increase (decrease) for changes in inventories | | 609 | | | 609 |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (9,685) | $ (3,741) | $ (14,197) | $ 63,028 | $ 35,405 |

*State of Illinois*

# Combining Balance Sheet - Non-major Special Revenue Funds
# Other Agencies, Boards and Authorities Funds

**June 30, 2003 (Expressed in Thousands)**

| | Capital Development Board | Criminal Justice Information Authority | Industrial Commission | Metropolitan Fair and Exposition Authority | State Board of Elections | Office of the State Fire Marshal |
|---|---|---|---|---|---|---|
| | School Infrastructure Fund | Juvenile Accountability Incentive Block Grant Fund | Rate Adjustment Fund | McCormick Place Expansion Project Fund | Help Illinois Vote Fund | Underground Storage Tank Fund |
| **ASSETS** | | | | | | |
| Cash equity with State Treasurer | $ 3,844 | $ 11,811 | $ 3 | | $ 44,935 | $ 35,546 |
| Receivables, net: | | | | | | |
| Taxes | 7,068 | | | | | 6,477 |
| Other | | 12 | 1 | | | 9 |
| Due from other funds | | 27 | | | | |
| **Total assets** | $ 10,912 | $ 11,850 | $ 4 | $ -- -- | $ 44,935 | $ 42,032 |
| **LIABILITIES** | | | | | | |
| Accounts payable and accrued liabilities | $ 3,173 | $ 6 | $ 36 | | | $ 3,915 |
| Intergovernmental payables | | 2,461 | | | | 2 |
| Due to other funds | 4,934 | 1,030 | 12,918 | | | 12 |
| Deferred revenues | 429 | 8,128 | | | $ 44,935 | 374 |
| **Total liabilities** | 8,536 | 11,625 | 12,954 | | 44,935 | 4,303 |
| **FUND BALANCES (DEFICITS)** | | | | | | |
| Reserved for encumbrances | 4,914 | | | | | 13 |
| Unreserved | (2,538) | 225 | (12,950) | | | 37,716 |
| **Total fund balances (deficits)** | 2,376 | 225 | (12,950) | | | 37,729 |
| **Total liabilities and fund balances** | $ 10,912 | $ 11,850 | $ 4 | $ -- -- | $ 44,935 | $ 42,032 |

| | Total |
|---|---|
| $ | 96,139 |
| | 13,545 |
| | 22 |
| | 27 |
| $ | 109,733 |
| | |
| $ | 7,130 |
| | 2,463 |
| | 18,894 |
| | 53,866 |
| | 82,353 |
| | |
| | 4,927 |
| | 22,453 |
| | 27,380 |
| | |
| $ | 109,733 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds Other Agencies, Boards and Authorities Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Capital Development Board | Criminal Justice Information Authority | Industrial Commission | Metropolitan Fair and Exposition Authority | State Board of Elections | Office of the State Fire Marshal |
|---|---|---|---|---|---|---|
| | School Infrastructure Fund | Juvenile Accountability Incentive Block Grant Fund | Rate Adjustment Fund | McCormick Place Expansion Project Fund | Help Illinois Vote Fund | Underground Storage Tank Fund |
| **REVENUES** | | | | | | |
| Sales taxes | | | | $ 96,571 | | |
| Motor fuel taxes | | | | | | $ 72,426 |
| Public utility taxes | $ 96,914 | | | | | |
| Other taxes | 20,000 | | | | | |
| Federal government | | $ 10,450 | | | | |
| Licenses and fees | | | | | | 109 |
| Interest and other investment income | | 114 | $ 2 | | | |
| Other | | | 8,700 | | | 9 |
| **Total revenues** | 116,914 | 10,564 | 8,702 | 96,571 | | 72,544 |
| **EXPENDITURES** | | | | | | |
| Current: | | | | | | |
| Education | 10,789 | | | | | |
| General government | 550 | | | | | 778 |
| Employment and economic development | | | | 88,898 | | |
| Public protection and justice | | 10,502 | | | | 3,115 |
| Environment and business regulations | | | 10,326 | | | 74,997 |
| Debt service: | | | | | | |
| Principal | | | | | | 6 |
| Interest | | | | | | 2 |
| Capital outlays | | | | | | 145 |
| **Total expenditures** | 11,339 | 10,502 | 10,326 | 88,898 | | 79,043 |
| **Excess (deficiency) of revenues over (under) expenditures** | 105,575 | 62 | (1,624) | 7,673 | | (6,499) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | |
| Transfers-in | | | 10,254 | | | |
| Transfers-out | (143,054) | | (11,279) | (7,673) | | (26,146) |
| Capital lease financing | | | | | | 6 |
| **Net other sources (uses) of financial resources** | (143,054) | | (1,025) | (7,673) | | (26,140) |
| **Net change in fund balances** | (37,479) | 62 | (2,649) | -- -- | | (32,639) |
| Fund balances (deficits), July 1, 2002 | 39,855 | 163 | (10,301) | | | 70,368 |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ 2,376 | $ 225 | $ (12,950) | $ -- -- | $ -- -- | $ 37,729 |

| Total |
|---|
| $ 96,571 |
| 72,426 |
| 96,914 |
| 20,000 |
| 10,450 |
| 109 |
| 116 |
| 8,709 |
| 305,295 |
| |
| 10,789 |
| 1,328 |
| 88,898 |
| 13,617 |
| 85,323 |
| |
| 6 |
| 2 |
| 145 |
| 200,108 |
| |
| 105,187 |
| |
| 10,254 |
| (188,152) |
| 6 |
| (177,892) |
| |
| (72,705) |
| |
| 100,085 |
| |
| $ 27,380 |

## DEBT SERVICE FUNDS

The Debt Service Funds are maintained to account for resources obtained and accumulated to pay interest and principal on general long-term obligations.

## SIGNIFICANT NON-MAJOR GOVERNMENTAL DEBT SERVICE FUNDS DESCRIPTIONS

**Treasurer**

General Obligation Bond Retirement and Interest Fund--to account for payments of principal and interest related to general obligation bonds. These bonds provide financing for the protection of the environment within the State; the acquisition, construction, reconstruction, extension, and improvement of highways; the acquisition, construction, reconstruction, and improvement of capital projects; the construction of facilities leased back to the State; and the development of mass transportation and aviation systems within the State.

**Department of Central Management Services**

ESCO COP Debt Service Fund--to account for payments of principal and interest related to ESCO Certificates of Participation. Funding consists of transfers from funds which use the facilities purchased with the ESCO Certificates of Participation proceeds and investment income.

**Department of Commerce and Community Affairs**

Illinois Civic Center Bond Retirement and Interest Fund--to account for the payment of principal and interest upon bonds issued to finance the construction of local civic centers. Funding consists of transfers from the Metropolitan Exposition Auditorium and Office Building Fund and investment income.

**Bureau of the Budget**

Build Illinois Bond Retirement and Interest Fund--to account for the payment of principal and interest upon bonds issued to finance improvements related to existing or planned scientific research, manufacturing or industrial development or expansion in Illinois. Funding consists of transfers from the Build Illinois Fund and investment income.

*State of Illinois*

# Combining Balance Sheet
# Non-major Debt Service Funds

**June 30, 2003 (Expressed in Thousands)**

| | Treasurer | Central Management Services | Commerce and Community Affairs | Bureau of the Budget | | |
|---|---|---|---|---|---|---|
| | General Obligation Bond Retirement and Interest Fund | ESCO COP Debt Service Fund | Illinois Civic Center Bond Retirement and Interest Fund | Build Illinois Bond Retirement and Interest Fund | Other | Total |
| **ASSETS** | | | | | | |
| Cash equity with State Treasurer | $ 1,037,538 | | $ 6,950 | $ 2,189 | | $ 1,046,677 |
| Cash and cash equivalents | | $ 429 | | 21,728 | $ 5,957 | 28,114 |
| Investments | | 3,993 | 14,512 | 114,002 | | 132,507 |
| Receivables, net: | | | | | | |
| Intergovernmental | 8 | | | | | 8 |
| Other | 292 | | 12 | 595 | 2 | 901 |
| Due from other funds | 4,901 | | | | 149 | 5,050 |
| Due from component units | | 3,505 | | | | 3,505 |
| Loans and notes receivable | 23,358 | | | | | 23,358 |
| **Total assets** | $ 1,066,097 | $ 7,927 | $ 21,474 | $ 138,514 | $ 6,108 | $ 1,240,120 |
| **LIABILITIES** | | | | | | |
| Accounts payable and accrued liabilities | | | | $ 24 | | $ 24 |
| Due to component units | | $ 884 | | | | 884 |
| **Total liabilities** | | 884 | | 24 | | 908 |
| **FUND BALANCES** | | | | | | |
| Reserved for: | | | | | | |
| Long-term portion of: | | | | | | |
| Loans and notes receivable | $ 21,644 | | | | | 21,644 |
| Other assets | | 137 | | | | 137 |
| Debt service | 1,044,453 | 6,906 | $ 21,474 | 138,490 | $ 6,108 | 1,217,431 |
| **Total fund balances** | 1,066,097 | 7,043 | 21,474 | 138,490 | 6,108 | 1,239,212 |
| **Total liabilities and fund balances** | $ 1,066,097 | $ 7,927 | $ 21,474 | $ 138,514 | $ 6,108 | $ 1,240,120 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances
# Non-major Debt Service Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Treasurer | Central Management Services | Commerce and Community Affairs | Bureau of the Budget | | |
|---|---|---|---|---|---|---|
| | General Obligation Bond Retirement and Interest Fund | ESCO COP Debt Service Fund | Illinois Civic Center Bond Retirement and Interest Fund | Build Illinois Bond Retirement and Interest Fund | Other | Total |
| **REVENUES** | | | | | | |
| Licenses and fees | $ 231 | | | | | $ 231 |
| Interest and other investment income | 15,100 | $ 453 | $ 211 | $ 14,896 | $ 15 | 30,675 |
| Other | 125 | | | | 144 | 269 |
| **Total revenues** | 15,456 | 453 | 211 | 14,896 | 159 | 31,175 |
| **EXPENDITURES** | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | | 779 | 779 |
| General government | 2,455 | 4 | | 77 | | 2,536 |
| Employment and economic development | | | 29 | | | 29 |
| Environment and business regulations | | | | | 1,618 | 1,618 |
| Debt service: | | | | | | |
| Principal | 612,600 | 1,800 | 5,875 | 94,725 | 5,570 | 720,570 |
| Interest | 371,937 | 638 | 7,972 | 101,215 | 6,963 | 488,725 |
| **Total expenditures** | 986,992 | 2,442 | 13,876 | 196,017 | 14,930 | 1,214,257 |
| **Excess (deficiency) of revenues over (under) expenditures** | (971,536) | (1,989) | (13,665) | (181,121) | (14,771) | (1,183,082) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | |
| General obligation bonds issued | 481,039 | | | | | 481,039 |
| General obligation refunding bonds issued | 564,900 | | | | | 564,900 |
| Premiums on general obligation refunding bonds issued | 56,535 | | | | | 56,535 |
| Transfers-in | 2,063,119 | 1,264 | 13,988 | 243,418 | 14,906 | 2,336,695 |
| Transfers-out | (1,011,065) | | | (48,728) | (6) | (1,059,799) |
| Payment to refunded bond escrow agent | (618,979) | | | | | (618,979) |
| **Net other sources (uses) of financial resources** | 1,535,549 | 1,264 | 13,988 | 194,690 | 14,900 | 1,760,391 |
| **Net change in fund balances** | 564,013 | (725) | 323 | 13,569 | 129 | 577,309 |
| Fund balances, July 1, 2002 | 502,084 | 7,768 | 21,151 | 124,921 | 5,979 | 661,903 |
| **FUND BALANCES, JUNE 30, 2003** | $ 1,066,097 | $ 7,043 | $ 21,474 | $ 138,490 | $ 6,108 | $ 1,239,212 |

## CAPITAL PROJECTS FUNDS

The Capital Projects Funds are maintained to account for the acquisition and/or construction of major capital facilities.

### SIGNIFICANT NON-MAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS DESCRIPTIONS

**Department of Commerce and Community Affairs**

Build Illinois Bond Fund--to account for the proceeds from bond issues of the Build Illinois Bond Program to finance improvements related to scientific research, manufacturing and industrial development or expansion.

**Department of Natural Resources**

Conservation 2000 Projects Fund--to account for the proceeds from bond issues to finance natural resources programs.

**Department of Transportation**

Transportation Bond Series A Fund--to account for the proceeds from bond issues to finance State highway acquisition, construction, reconstruction, extension and improvements.

Transportation Bond Series B Fund--to account for the proceeds from bond issues used to finance mass transportation and aviation infrastructure including, but not limited to, the acquisition of mass transportation equipment, including rail and bus, and other equipment for counties under the Regional Transportation Authority.

**Capital Development Board**

Capital Development Fund--to account for the proceeds from bond issues to finance capital development projects within the State.

School Construction Fund--to account for the proceeds from bond issues to finance school construction building projects.

Capital Development Board Contributory Trust Fund--to account for local, state, and federal funding for the construction and remodeling of buildings and the purchase of land and equipment in connection with the various contributing educational institutions, State departments and agencies as authorized by law.

**Environmental Protection Agency**

Anti-Pollution Fund--to account for the proceeds from bond issues to finance environmental programs.

*State of Illinois*

# Combining Balance Sheet
# Non-major Capital Projects Funds
**June 30, 2003 (Expressed in Thousands)**

| | Commerce and Community Affairs | Natural Resources | | | Environmental Protection Agency | | |
|---|---|---|---|---|---|---|---|
| | Build Illinois Bond Fund | Conservation 2000 Projects Fund | Transportation | Capital Development Board | Anti-Pollution Fund | Other | Total |
| **ASSETS** | | | | | | | |
| Cash equity with State Treasurer | $ 46 | $ 11,691 | $ 110,608 | $ 147,779 | $ 17,840 | $ 6,240 | $ 294,204 |
| Cash and cash equivalents | 79 | | | 484 | | 596 | 1,159 |
| Intergovernmental receivables, net | | | | 2,290 | | | 2,290 |
| Due from other funds | 12,832 | | | 505 | | | 13,337 |
| **Total assets** | $ 12,957 | $ 11,691 | $ 110,608 | $ 151,058 | $ 17,840 | $ 6,836 | $ 310,990 |
| **LIABILITIES** | | | | | | | |
| Accounts payable and accrued liabilities | $ 48,798 | $ 2,798 | $ 30,496 | $ 100,692 | | | $ 182,784 |
| Intergovernmental payables | | | 17,608 | 65,321 | | | 82,929 |
| Due to other funds | | | 867 | 390 | | | 1,257 |
| Due to component units | | 37 | | 476 | | | 513 |
| Deferred revenues | | | | 6,400 | | | 6,400 |
| **Total liabilities** | 48,798 | 2,835 | 48,971 | 173,279 | | | 273,883 |
| **FUND BALANCES (DEFICITS)** | | | | | | | |
| Reserved for: | | | | | | | |
| Encumbrances | 84,640 | 4,834 | 660,129 | 798,417 | | | 1,548,020 |
| Capital projects | | 4,022 | | | $ 17,840 | $ 6,836 | 28,698 |
| Unreserved | (120,481) | | (598,492) | (820,638) | | | (1,539,611) |
| **Total fund balances (deficits)** | (35,841) | 8,856 | 61,637 | (22,221) | 17,840 | 6,836 | 37,107 |
| **Total liabilities and fund balances** | $ 12,957 | $ 11,691 | $ 110,608 | $ 151,058 | $ 17,840 | $ 6,836 | $ 310,990 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances
# Non-major Capital Projects Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Commerce and Community Affairs Build Illinois Bond Fund | Natural Resources Conservation 2000 Projects Fund | Transportation | Capital Development Board | Environmental Protection Agency Anti-Pollution Fund | Other | Total |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Federal government | | | | $ 20,568 | | | $ 20,568 |
| Interest and other investment income | | | | | | $ 6 | 6 |
| Other | | | | 24,470 | | 3 | 24,473 |
| **Total revenues** | | | | 45,038 | | 9 | 45,047 |
| **EXPENDITURES** | | | | | | | |
| Current: | | | | | | | |
| Education | $ 15,255 | | | 866,736 | | | 881,991 |
| General government | 13,577 | $ 1 | | 12,779 | | 6 | 26,363 |
| Employment and economic development | 288,212 | | | 64,527 | | 2,219 | 354,958 |
| Transportation | 307 | | $ 123,390 | 338 | | 1,191 | 125,226 |
| Public protection and justice | | | | | | 99 | 99 |
| Environment and business regulations | 7,677 | 10,781 | | 66,153 | $ 189 | | 84,800 |
| Capital outlays | 13,834 | 596 | 402,589 | 238,816 | | | 655,835 |
| **Total expenditures** | 338,862 | 11,378 | 525,979 | 1,249,349 | 189 | 3,515 | 2,129,272 |
| **Excess (deficiency) of revenues over (under) expenditures** | (338,862) | (11,378) | (525,979) | (1,204,311) | (189) | (3,506) | (2,084,225) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | | |
| General and special obligation bonds issued | 182,225 | | 522,500 | 1,149,579 | 32,500 | 7,500 | 1,894,304 |
| Premiums on general and special obligation bonds issued | 11,799 | | 30,224 | 67,414 | 4,451 | 2,917 | 116,805 |
| Special obligation refunding bonds issued | 130,125 | | | | | | 130,125 |
| Premiums on special obligation refunding bonds issued | 9,038 | | | | | | 9,038 |
| Transfers-in | | 8,000 | | 5,000 | | 1,200 | 14,200 |
| Transfers-out | (19,098) | | | (15,288) | (23,500) | (2,500) | (60,386) |
| Payment to refunded bond escrow agent | (138,351) | | | | | | (138,351) |
| **Net other sources (uses) of financial resources** | 175,738 | 8,000 | 552,724 | 1,206,705 | 13,451 | 9,117 | 1,965,735 |
| **Net change in fund balances** | (163,124) | (3,378) | 26,745 | 2,394 | 13,262 | 5,611 | (118,490) |
| Fund balances (deficits), July 1, 2002 | 127,283 | 12,234 | 34,892 | (24,615) | 4,578 | 1,225 | 155,597 |
| **FUND BALANCES, JUNE 30, 2003** | $ (35,841) | $ 8,856 | $ 61,637 | $ (22,221) | $ 17,840 | $ 6,836 | $ 37,107 |

*State of Illinois*

# Combining Balance Sheet - Non-major Capital Projects Funds
# Transportation

**June 30, 2003 (Expressed in Thousands)**

| | Transportation Bond Series A Fund | Transportation Bond Series B Fund | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash equity with State Treasurer | $ 69,707 | $ 40,901 | $ 110,608 |
| **Total assets** | $ 69,707 | $ 40,901 | $ 110,608 |
| **LIABILITIES** | | | |
| Accounts payable and accrued liabilities | $ 27,124 | $ 3,372 | $ 30,496 |
| Intergovernmental payables | | 17,608 | 17,608 |
| Due to other funds | | 867 | 867 |
| **Total liabilities** | 27,124 | 21,847 | 48,971 |
| **FUND BALANCES** | | | |
| Reserved for encumbrances | 453,074 | 207,055 | 660,129 |
| Unreserved | (410,491) | (188,001) | (598,492) |
| **Total fund balances** | 42,583 | 19,054 | 61,637 |
| **Total liabilities and fund balances** | $ 69,707 | $ 40,901 | $ 110,608 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Capital Projects Funds

## Transportation

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Transportation Bond Series A Fund | Transportation Bond Series B Fund | Total |
|---|---|---|---|
| **EXPENDITURES** | | | |
| Current: | | | |
| Transportation | $ 5,581 | $ 117,809 | $ 123,390 |
| Capital outlays | 384,813 | 17,776 | 402,589 |
| **Total expenditures** | 390,394 | 135,585 | 525,979 |
| **Excess (deficiency) of revenues over (under) expenditures** | (390,394) | (135,585) | (525,979) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | |
| General obligation bonds issued | 392,500 | 130,000 | 522,500 |
| Premiums on general obligation bonds issued | 22,255 | 7,969 | 30,224 |
| **Net other sources (uses) of financial resources** | 414,755 | 137,969 | 552,724 |
| **Net change in fund balances** | 24,361 | 2,384 | 26,745 |
| Fund balances, July 1, 2002 | 18,222 | 16,670 | 34,892 |
| **FUND BALANCES, JUNE 30, 2003** | $ 42,583 | $ 19,054 | $ 61,637 |

*State of Illinois*

# Combining Balance Sheet - Non-major Capital Projects Funds
## Capital Development Board
**June 30, 2003 (Expressed in Thousands)**

| | Capital Development Fund | School Construction Fund | CDB Contributory Trust Fund | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash equity with State Treasurer | $ 74,009 | $ 59,328 | $ 14,442 | $ 147,779 |
| Cash and cash equivalents | | | 484 | 484 |
| Intergovernmental receivables, net | | | 2,290 | 2,290 |
| Due from other funds | | | 505 | 505 |
| **Total assets** | $ 74,009 | $ 59,328 | $ 17,721 | $ 151,058 |
| **LIABILITIES** | | | | |
| Accounts payable and accrued liabilities | $ 95,352 | $ 19 | $ 5,321 | $ 100,692 |
| Intergovernmental payables | | 59,321 | 6,000 | 65,321 |
| Due to other funds | 390 | | | 390 |
| Due to component units | 476 | | | 476 |
| Deferred revenues | | | 6,400 | 6,400 |
| **Total liabilities** | 96,218 | 59,340 | 17,721 | 173,279 |
| **FUND BALANCES (DEFICITS)** | | | | |
| Reserved for encumbrances | 375,619 | 378,637 | 44,161 | 798,417 |
| Unreserved | (397,828) | (378,649) | (44,161) | (820,638) |
| **Total fund balances (deficits)** | (22,209) | (12) | -- -- | (22,221) |
| **Total liabilities and fund balances** | $ 74,009 | $ 59,328 | $ 17,721 | $ 151,058 |

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Capital Projects Funds
## Capital Development Board
**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Capital Development Fund | School Construction Fund | CDB Contributory Trust Fund | Total |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Federal government | | | $ 20,568 | $ 20,568 |
| Other | | | 24,470 | 24,470 |
| **Total revenues** | | | 45,038 | 45,038 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Education | $ 227,478 | $ 620,199 | 19,059 | 866,736 |
| General government | 12,779 | | | 12,779 |
| Employment and economic development | 64,527 | | | 64,527 |
| Transportation | 338 | | | 338 |
| Environment and business regulations | 66,153 | | | 66,153 |
| Capital outlays | 220,125 | | 18,691 | 238,816 |
| **Total expenditures** | 591,400 | 620,199 | 37,750 | 1,249,349 |
| **Excess (deficiency) of revenues over (under) expenditures** | (591,400) | (620,199) | 7,288 | (1,204,311) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | |
| General obligation bonds issued | 557,579 | 592,000 | | 1,149,579 |
| Premiums on general obligation bonds issued | 29,348 | 38,066 | | 67,414 |
| Transfers-in | 5,000 | | | 5,000 |
| Transfers-out | (8,000) | | (7,288) | (15,288) |
| **Net other sources (uses) of financial resources** | 583,927 | 630,066 | (7,288) | 1,206,705 |
| **Net change in fund balances** | (7,473) | 9,867 | -- -- | 2,394 |
| Fund balances (deficits), July 1, 2002 | (14,736) | (9,879) | | (24,615) |
| **FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (22,209) | $ (12) | $ -- -- | $ (22,221) |

## ENTERPRISE FUNDS

Enterprise Funds are maintained to account for the operations where the intent of the State is to provide services to the general public in a manner similar to private business enterprises.

## SIGNIFICANT NON-MAJOR ENTERPRISE FUNDS DESCRIPTIONS

**Department of Central Management Services**

Local Government Health Insurance Reserve Fund--to provide health and dental insurance to participating local government entities. Premiums are collected from units of local government and the insurance plan is administered by private companies.

Teacher Health Insurance Security Fund--to provide health benefits for the Teachers' Retirement System recipient and dependent beneficiaries. Premiums are collected from retired and active teachers and the insurance plan is administered by private companies.

**Department of Lottery**

State Lottery Fund--to account for all receipts and expenses from the operation of the State Lottery. The net proceeds are transferred to the Common School Account in the General Fund.

**Student Assistance Commission**

Prepaid Tuition Fund--to account for the net assets held by the Illinois prepaid tuition program, *College Illinois!* The program provides Illinois families with an affordable tax-advantaged method to pay for college.

*State of Illinois*

# Combining Statement of Net Assets
# Non-major Enterprise Funds
**June 30, 2003 (Expressed in Thousands)**

| | Central Management Services | Lottery: State Lottery Fund | Student Assistance Commission: Prepaid Tuition Fund | Other | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash equity with State Treasurer | $ 39,236 | $ 5,824 | $ 6,467 | $ 65,715 | $ 117,242 |
| Cash and cash equivalents | 12,994 | 4,419 | 1,370 | 1,396 | 20,179 |
| Investments, short-term | | 14,519 | | 19,928 | 34,447 |
| Receivables, net: | | | | | |
| Intergovernmental | 583 | | | 2,451 | 3,034 |
| Other | 7,252 | 14,737 | 26 | 7,872 | 29,887 |
| Due from other funds | | 47,592 | | 1,384 | 48,976 |
| Inventories | | 3,400 | | | 3,400 |
| Prepaid expenses | | 101 | | 128 | 229 |
| **Total current assets** | 60,065 | 90,592 | 7,863 | 98,874 | 257,394 |
| Investments | | 4,692 | 335,730 | 2,927 | 343,349 |
| Capital assets not being depreciated | | | | 190 | 190 |
| Capital assets being depreciated, net | | 701 | | 2,524 | 3,225 |
| **Total assets** | 60,065 | 95,985 | 343,593 | 104,515 | 604,158 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued liabilities | 42,425 | 27,465 | 383 | 11,851 | 82,124 |
| Intergovernmental payables | | | | 1 | 1 |
| Due to other funds | 39 | 2,939 | 14 | 17,230 | 20,222 |
| Deferred revenues | | 2,554 | | 8,967 | 11,521 |
| Current portion of long-term obligations | 5 | 14,548 | 9,939 | 7,935 | 32,427 |
| **Total current liabilities** | 42,469 | 47,506 | 10,336 | 45,984 | 146,295 |
| Noncurrent portion of long-term obligations | 79 | 5,304 | 387,050 | 3,890 | 396,323 |
| **Total liabilities** | 42,548 | 52,810 | 397,386 | 49,874 | 542,618 |
| **NET ASSETS** | | | | | |
| Invested in capital assets, net of related debt | | 695 | | 2,619 | 3,314 |
| Net assets restricted for other purposes | | 42,480 | | | 42,480 |
| Unrestricted | 17,517 | | (53,793) | 52,022 | 15,746 |
| **Total net assets** | $ 17,517 | $ 43,175 | $ (53,793) | $ 54,641 | $ 61,540 |

*State of Illinois*

# Combining Statement of Revenues, Expenses and Changes in Net Assets - Non-major Enterprise Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Central Management Services | Lottery: State Lottery Fund | Student Assistance Commission: Prepaid Tuition Fund | Other | Total |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Charges for sales and services | $ 301,826 | $ 1,564,674 | $ 2,562 | $ 159,021 | $ 2,028,083 |
| Interest and other investment income | | | 11,053 | 5 | 11,058 |
| Other | 3,300 | 25,172 | | 227 | 28,699 |
| **Total operating revenues** | 305,126 | 1,589,846 | 13,615 | 159,253 | 2,067,840 |
| **OPERATING EXPENSES** | | | | | |
| Cost of sales and services | | 106,172 | | 37,287 | 143,459 |
| Benefit payments and refunds | 278,429 | | | 13,309 | 291,738 |
| Prizes and claims | | 885,170 | | | 885,170 |
| Interest | | | | 8 | 8 |
| General and administrative | 2,393 | 62,205 | 2,877 | 53,742 | 121,217 |
| Depreciation | | 547 | | 593 | 1,140 |
| Other | | | 22,939 | 43,048 | 65,987 |
| **Total operating expenses** | 280,822 | 1,054,094 | 25,816 | 147,987 | 1,508,719 |
| **Operating income (loss)** | 24,304 | 535,752 | (12,201) | 11,266 | 559,121 |
| **NONOPERATING REVENUES (EXPENSES)** | | | | | |
| Interest and investment income | 217 | 24 | | 1,743 | 1,984 |
| Interest expense | | | (9) | | (9) |
| Other expenses | | | | (11) | (11) |
| **Income (loss) before operating transfers** | 24,521 | 535,776 | (12,210) | 12,998 | 561,085 |
| Transfers-in | 2,000 | | | | 2,000 |
| Transfers-out | | (539,517) | | (7,677) | (547,194) |
| **Net income (loss)** | 26,521 | (3,741) | (12,210) | 5,321 | 15,891 |
| Net assets (deficit), July 1, 2002, as restated | (9,004) | 46,916 | (41,583) | 49,320 | 45,649 |
| **NET ASSETS (DEFICIT), JUNE 30, 2003** | $ 17,517 | $ 43,175 | $ (53,793) | $ 54,641 | $ 61,540 |

*State of Illinois*

# Combining Statement of Cash Flows
# Non-major Enterprise Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Central Management Services | Lottery: State Lottery Fund | Student Assistance Commission: Prepaid Tuition Fund | Other | Total |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Cash received from sales and services | $ 303,624 | $ 1,564,837 | $ 2,562 | $ 158,351 | $ 2,029,374 |
| Cash payments to suppliers for goods and services | (285,816) | (79,138) | (2,217) | (61,693) | (428,864) |
| Cash payments to employees for services | (1,422) | (89,446) | (566) | (60,277) | (151,711) |
| Cash payments for lottery prizes | | (885,195) | | | (885,195) |
| Cash receipts from other operating activities | 3,024 | 22,947 | 114,504 | 218 | 140,693 |
| Cash payments for other operating activities | | (2) | (3,976) | (29,162) | (33,140) |
| Net cash provided (used) by operating activities | 19,410 | 534,003 | 110,307 | 7,437 | 671,157 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | | |
| Principal paid on other borrowing | | | (350) | (9) | (359) |
| Interest paid on other borrowing | | | (9) | | (9) |
| Transfers-in from other funds | 2,000 | | | | 2,000 |
| Transfers-out to other funds | | (540,317) | | (1,040) | (541,357) |
| Net cash provided (used) by noncapital financing activities | 2,000 | (540,317) | (359) | (1,049) | (539,725) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | |
| Acquisition and construction of capital assets | | (6) | | (372) | (378) |
| Principal paid on capital debt | | (5) | | (65) | (70) |
| Net cash (used) by capital and related financing activities | | (11) | | (437) | (448) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Purchase of investment securities | | | (149,607) | (16,395) | (166,002) |
| Proceeds from sale and maturities of investment securities | | | 33,000 | 13,148 | 46,148 |
| Interest and dividends on investments | 344 | 24 | 5,344 | 2,184 | 7,896 |
| Net cash provided (used) by investing activities | 344 | 24 | (111,263) | (1,063) | (111,958) |
| **Net increase (decrease) in cash and cash equivalents** | 21,754 | (6,301) | (1,315) | 4,888 | 19,026 |
| Cash and cash equivalents, July 1, 2002 | 30,476 | 16,544 | 9,152 | 62,223 | 118,395 |
| **CASH AND CASH EQUIVALENTS, JUNE 30, 2003** | $ 52,230 | $ 10,243 | $ 7,837 | $ 67,111 | $ 137,421 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | | | |
| **OPERATING INCOME (LOSS)** | $ 24,304 | $ 535,752 | $ (12,201) | $ 11,266 | $ 559,121 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation | | 547 | | 593 | 1,140 |
| Provision for uncollectible accounts | | 280 | | | 280 |
| Amortization | | | 22,007 | | 22,007 |
| Interest and investment income | | | (10,122) | | (10,122) |
| Changes in assets and liabilities: | | | | | |
| (Increase) decrease in accounts receivable | (1,045) | (304) | | (287) | (1,636) |
| (Increase) decrease in intergovernmental receivables | 859 | | | (723) | 136 |
| (Increase) decrease in due from other funds | | 512 | | 127 | 639 |
| (Increase) decrease in inventory | | 627 | | | 627 |
| (Increase) decrease in prepaid expenses | | (10) | | 22 | 12 |
| (Increase) decrease in other assets | | | | 5 | 5 |
| Increase (decrease) in accounts payable and accrued liabilities | (3,932) | (4,886) | 138 | 210 | (8,470) |
| Increase (decrease) in due to other funds | (781) | 1,393 | (2) | (1,082) | (472) |
| Increase (decrease) in deferred revenues | | 92 | | 181 | 273 |
| Increase (decrease) in other liabilities | 5 | | 110,487 | (2,878) | 107,614 |
| Other | | | | 3 | 3 |
| Total adjustments | (4,894) | (1,749) | 122,508 | (3,829) | 112,036 |
| **NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | $ 19,410 | $ 534,003 | $ 110,307 | $ 7,437 | $ 671,157 |
| **NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES** | | | | | |
| Cost of capital asset acquisitions financed by capital leases | | | | $ 70 | $ 70 |
| Increase (decrease) in fair value of investments | | | $ 4,783 | | 4,783 |
| Total noncash investing, capital and financing activities | $ -- -- | $ -- -- | $ 4,783 | $ 70 | $ 4,853 |

*State of Illinois*

# Combining Statement of Net Assets - Non-major Enterprise Funds
## Central Management Services
**June 30, 2003 (Expressed in Thousands)**

| | Local Government Health Insurance Reserve Fund | Teacher Health Insurance Security Fund | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash equity with State Treasurer | $ 9,932 | $ 29,304 | $ 39,236 |
| Cash and cash equivalents | 3,751 | 9,243 | 12,994 |
| Receivables, net: | | | |
| Intergovernmental | 583 | | 583 |
| Other | 189 | 7,063 | 7,252 |
| **Total assets** | 14,455 | 45,610 | 60,065 |
| **LIABILITIES** | | | |
| Accounts payable and accrued liabilities | 11,646 | 30,779 | 42,425 |
| Due to other funds | 21 | 18 | 39 |
| Current portion of long-term obligations | 4 | 1 | 5 |
| **Total current liabilities** | 11,671 | 30,798 | 42,469 |
| Noncurrent portion of long-term obligations | 34 | 45 | 79 |
| **Total liabilities** | 11,705 | 30,843 | 42,548 |
| **NET ASSETS** | | | |
| Unrestricted | 2,750 | 14,767 | 17,517 |
| **Total net assets** | $ 2,750 | $ 14,767 | $ 17,517 |

*State of Illinois*

# Combining Statement of Revenues, Expenses and Changes in Net Assets - Non-major Enterprise Funds
## Central Management Services
**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Local Government Health Insurance Reserve Fund | Teacher Health Insurance Security Fund | Total |
|---|---|---|---|
| **OPERATING REVENUES** | | | |
| Charges for sales and services | $ 81,790 | $ 220,036 | $ 301,826 |
| Other | 451 | 2,849 | 3,300 |
| **Total operating revenues** | 82,241 | 222,885 | 305,126 |
| **OPERATING EXPENSES** | | | |
| Benefit payments and refunds | 71,916 | 206,513 | 278,429 |
| General and administrative | 785 | 1,608 | 2,393 |
| **Total operating expenses** | 72,701 | 208,121 | 280,822 |
| **Operating income (loss)** | 9,540 | 14,764 | 24,304 |
| **NONOPERATING REVENUES** | | | |
| Interest and investment income | 64 | 153 | 217 |
| **Income (loss) before operating transfers** | 9,604 | 14,917 | 24,521 |
| Transfers-in | | 2,000 | 2,000 |
| **Net income (loss)** | 9,604 | 16,917 | 26,521 |
| Net assets, July 1, 2002, as restated | (6,854) | (2,150) | (9,004) |
| **NET ASSETS, JUNE 30, 2003** | $ 2,750 | $ 14,767 | $ 17,517 |

*State of Illinois*

# Combining Statement of Cash Flows - Non-major Enterprise Funds
# Central Management Services
**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Local Government Health Insurance Reserve Fund | Teacher Health Insurance Security Fund | Total |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Cash received from sales and services | $ 82,610 | $ 221,014 | $ 303,624 |
| Cash payments to suppliers for goods and services | (76,356) | (209,460) | (285,816) |
| Cash payments to employees for services | (690) | (732) | (1,422) |
| Cash receipts from other operating activities | 356 | 2,668 | 3,024 |
| Cash payments for other operating activities | | | |
| Net cash provided (used) by operating activities | 5,920 | 13,490 | 19,410 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | |
| Transfers-in from other funds | | 2,000 | 2,000 |
| Transfers-out to other funds | | | |
| Net cash provided (used) by noncapital financing activities | | 2,000 | 2,000 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Interest and dividends on investments | 60 | 284 | 344 |
| Net cash provided by investing activities | 60 | 284 | 344 |
| **Net increase (decrease) in cash and cash equivalents** | 5,980 | 15,774 | 21,754 |
| Cash and cash equivalents, July 1, 2002 | 7,703 | 22,773 | 30,476 |
| **CASH AND CASH EQUIVALENTS, JUNE 30, 2003** | $ 13,683 | $ 38,547 | $ 52,230 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | |
| **OPERATING INCOME (LOSS)** | $ 9,540 | $ 14,764 | $ 24,304 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in accounts receivable | (134) | (911) | (1,045) |
| (Increase) decrease in intergovernmental receivables | 859 | | 859 |
| Increase (decrease) in accounts payable and accrued liabilities | (4,357) | 425 | (3,932) |
| Increase (decrease) in due to other funds | 11 | (792) | (781) |
| Increase (decrease) in other liabilities | 1 | 4 | 5 |
| Total adjustments | (3,620) | (1,274) | (4,894) |
| **NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | $ 5,920 | $ 13,490 | $ 19,410 |

## INTERNAL SERVICE FUNDS

Internal Service Funds are maintained to account for the operations of State agencies which render service to other State agencies or governmental units on a cost-reimbursement basis.

## SIGNIFICANT INTERNAL SERVICE FUNDS DESCRIPTIONS

**Central Management Services**

State Garage Revolving Fund--to account for the operation and maintenance of State garages including the servicing and repair of all automotive equipment owned or controlled by the State. Revenues consist of charges to user agencies.

Statistical Services Revolving Fund--to account for the purchase, maintenance and operation of electronic data processing and information devices used by State agencies. Revenues consist of charges from the user agencies.

Communications Revolving Fund--to account for the expenses related to telecommunications services for State agencies. Revenues consist of reimbursements from user agencies.

Health Insurance Reserve Fund--to account for the self-insurance medical and dental plan for State employees and qualified dependents. This fund records all contributions, appropriations, interest, dividends and expenses related to the plan.

**Department of Corrections**

Working Capital Revolving Fund--to account for the income and expenses associated with the production by factories, farms and service programs at several State correctional facilities.

*State of Illinois*

# Combining Statement of Net Assets
# Internal Service Funds
**June 30, 2003 (Expressed in Thousands)**

| | Central Management Services | Corrections Working Capital Revolving Fund | Other | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash equity with State Treasurer | $ 78,274 | $ 1,735 | $ 11,199 | $ 91,208 |
| Cash and cash equivalents | 127,438 | | | 127,438 |
| Receivables, net: | | | | |
| Intergovernmental | 550 | 18 | | 568 |
| Other | 4,700 | 375 | | 5,075 |
| Due from other funds | 177,830 | 25,110 | 592 | 203,532 |
| Due from component units | 6,057 | 6 | 569 | 6,632 |
| Inventories | 1,183 | 10,248 | 167 | 11,598 |
| Prepaid expenses | 600 | 10 | | 610 |
| **Total current assets** | 396,632 | 37,502 | 12,527 | 446,661 |
| Restricted cash and cash equivalents | 108 | | | 108 |
| Capital assets not being depreciated | 1,761 | | | 1,761 |
| Capital assets being depreciated, net | 40,679 | 8,637 | | 49,316 |
| **Total assets** | 439,180 | 46,139 | 12,527 | 497,846 |
| **LIABILITIES** | | | | |
| Accounts payable and accrued liabilities | 300,977 | 2,232 | 3,355 | 306,564 |
| Intergovernmental payables | 164 | | | 164 |
| Due to other funds | 5,810 | 263 | 22 | 6,095 |
| Due to component units | 21 | | | 21 |
| Deferred revenue | 3,960 | | | 3,960 |
| Current portion of long-term liabilities | 4,191 | 717 | | 4,908 |
| **Total current liabilities** | 315,123 | 3,212 | 3,377 | 321,712 |
| Noncurrent portion of long-term liabilities | 7,332 | 428 | 35 | 7,795 |
| **Total liabilities** | 322,455 | 3,640 | 3,412 | 329,507 |
| **NET ASSETS** | | | | |
| Invested in capital assets, net of related debt | 36,302 | 8,617 | | 44,919 |
| Net assets restricted for debt service | 108 | | | 108 |
| Unrestricted | 80,315 | 33,882 | 9,115 | 123,312 |
| **Total net assets** | $ 116,725 | $ 42,499 | $ 9,115 | $ 168,339 |

*State of Illinois*

# Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Central Management Services | Corrections Working Capital Revolving Fund | Other | Total |
|---|---|---|---|---|
| **OPERATING REVENUES** | | | | |
| Charges for sales and services | $ 1,525,230 | $ 42,072 | $ 12,107 | $ 1,579,409 |
| Other | 8,333 | 387 | 3 | 8,723 |
| **Total operating revenues** | 1,533,563 | 42,459 | 12,110 | 1,588,132 |
| **OPERATING EXPENSES** | | | | |
| Cost of sales and services | 187,874 | 33,389 | 13,307 | 234,570 |
| Benefit payments and refunds | 1,274,388 | | | 1,274,388 |
| General and administrative | 27,440 | 5,868 | 427 | 33,735 |
| Depreciation | 11,329 | 1,742 | 2 | 13,073 |
| Other | 10,377 | | | 10,377 |
| **Total operating expenses** | 1,511,408 | 40,999 | 13,736 | 1,566,143 |
| **Operating income (loss)** | 22,155 | 1,460 | (1,626) | 21,989 |
| **NONOPERATING REVENUES (EXPENSES)** | | | | |
| Interest and investment income | 649 | | | 649 |
| Interest expense | (274) | (3) | | (277) |
| Other revenues | 1,895 | 291 | | 2,186 |
| Other expenses | (31) | (103) | | (134) |
| **Net income (loss)** | 24,394 | 1,645 | (1,626) | 24,413 |
| Net assets, July 1, 2002 | 92,331 | 40,854 | 10,741 | 143,926 |
| **NET ASSETS, JUNE 30, 2003** | $ 116,725 | $ 42,499 | $ 9,115 | $ 168,339 |

*State of Illinois*

# Combining Statement of Cash Flows
# Internal Service Funds
**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Central Management Services | Corrections Working Capital Revolving Fund | Other | Total |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Cash received from sales and services | $ 1,515,010 | $ 24,517 | $ 12,024 | $ 1,551,551 |
| Cash payments to suppliers for goods and services | (1,382,900) | (22,914) | (13,374) | (1,419,188) |
| Cash payments to employees for services | (49,983) | (14,492) | (236) | (64,711) |
| Cash receipts from other operating activities | 7,923 | | 3 | 7,926 |
| Cash payments for other operating activities | | (992) | | (992) |
| Net cash provided (used) by operating activities | 90,050 | (13,881) | (1,583) | 74,586 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Acquisition and construction of capital assets | (4,328) | (1,319) | | (5,647) |
| Principal paid on capital debt | (3,556) | (30) | | (3,586) |
| Interest paid on capital debt | (274) | (3) | | (277) |
| Other capital and related financing activities | | 293 | | 293 |
| Net cash (used) by capital and related financing activities | (8,158) | (1,059) | -- -- | (9,217) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest and dividends on investments | 1,309 | | | 1,309 |
| Net cash provided by investing activities | 1,309 | -- -- | -- -- | 1,309 |
| **Net increase (decrease) in cash and cash equivalents** | 83,201 | (14,940) | (1,583) | 66,678 |
| Cash and cash equivalents, July 1, 2002 | 122,619 | 16,675 | 12,782 | 152,076 |
| **CASH AND CASH EQUIVALENTS, JUNE 30, 2003** | $ 205,820 | $ 1,735 | $ 11,199 | $ 218,754 |
| **Reconciliation of cash and cash equivalents to the balance sheet:** | | | | |
| Total cash and cash equivalents per the balance sheet | $ 205,712 | $ 1,735 | $ 11,199 | $ 218,646 |
| Add: restricted cash equivalents | 108 | | | 108 |
| **CASH AND CASH EQUIVALENTS, JUNE 30, 2003** | $ 205,820 | $ 1,735 | $ 11,199 | $ 218,754 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | | |
| **OPERATING INCOME (LOSS)** | $ 22,155 | $ 1,460 | $ (1,626) | $ 21,989 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation | 11,329 | 1,742 | 2 | 13,073 |
| Provision for uncollectible accounts | (17) | | | (17) |
| Changes in assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable | (4,249) | 34 | 1 | (4,214) |
| (Increase) decrease in intergovernmental receivables | 279 | 54 | | 333 |
| (Increase) decrease in due from other funds | 61,816 | (18,022) | 78 | 43,872 |
| (Increase) decrease in due from component units | 29,540 | (6) | (37) | 29,497 |
| (Increase) decrease in inventories | 312 | 1,277 | 32 | 1,621 |
| (Increase) decrease in prepaid expenses | 301 | 6 | | 307 |
| Increase (decrease) in accounts payable and accrued liabilities | (37,338) | 163 | 84 | (37,091) |
| Increase (decrease) in intergovernmental payables | 79 | | | 79 |
| Increase (decrease) in due to other funds | 3,429 | 9 | 4 | 3,442 |
| Increase (decrease) in due to component units | (10) | | | (10) |
| Increase (decrease) in deferred revenue | 3,960 | | (125) | 3,835 |
| Increase (decrease) in other liabilities | (1,536) | (598) | 4 | (2,130) |
| Total adjustments | 67,895 | (15,341) | 43 | 52,597 |
| **NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | $ 90,050 | $ (13,881) | $ (1,583) | $ 74,586 |
| **NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES** | | | | |
| Cost of capital asset acquisitions financed by capital leases | $ 73 | $ 7 | | $ 80 |
| Cost of installment purchases | 2,986 | | | 2,986 |
| Transfer of assets from other state funds | 1,895 | | | 1,895 |
| Total noncash investing, capital and financing activities | $ 4,954 | $ 7 | $ -- -- | $ 4,961 |

*State of Illinois*

# Combining Statement of Net Assets - Internal Service Funds
## Central Management Services
**June 30, 2003 (Expressed in Thousands)**

| | State Garage Revolving Fund | Statistical Services Revolving Fund | Communications Revolving Fund | Health Insurance Reserve Fund | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash equity with State Treasurer | $ 3,748 | $ 17,913 | $ 30,865 | $ 25,748 | $ 78,274 |
| Cash and cash equivalents | | | | 127,438 | 127,438 |
| Receivables, net: | | | | | |
| Intergovernmental | 61 | | 489 | | 550 |
| Other | 4 | | 75 | 4,621 | 4,700 |
| Due from other funds | 7,448 | 26,839 | 30,721 | 112,822 | 177,830 |
| Due from component units | 35 | 31 | 553 | 5,438 | 6,057 |
| Inventories | 1,128 | 55 | | | 1,183 |
| Prepaid expenses | | 600 | | | 600 |
| **Total current assets** | 12,424 | 45,438 | 62,703 | 276,067 | 396,632 |
| Restricted cash and cash equivalents | 108 | | | | 108 |
| Capital assets not being depreciated | | 1,048 | 713 | | 1,761 |
| Capital assets being depreciated, net | 7,793 | 20,326 | 12,560 | | 40,679 |
| **Total assets** | 20,325 | 66,812 | 75,976 | 276,067 | 439,180 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued liabilities | 7,404 | 7,429 | 12,114 | 274,030 | 300,977 |
| Intergovernmental payables | 6 | 151 | 7 | | 164 |
| Due to other funds | 256 | 2,237 | 1,649 | 1,668 | 5,810 |
| Due to component units | 21 | | | | 21 |
| Deferred revenue | | 3,960 | | | 3,960 |
| Current portion of long-term liabilities | 740 | 2,940 | 498 | 13 | 4,191 |
| **Total current liabilities** | 8,427 | 16,717 | 14,268 | 275,711 | 315,123 |
| Noncurrent portion of long-term liabilities | 1,916 | 4,238 | 822 | 356 | 7,332 |
| **Total liabilities** | 10,343 | 20,955 | 15,090 | 276,067 | 322,455 |
| **NET ASSETS** | | | | | |
| Invested in capital assets, net of related debt | 6,734 | 16,826 | 12,742 | | 36,302 |
| Net assets restricted for debt service | 108 | | | | 108 |
| Unrestricted | 3,140 | 29,031 | 48,144 | | 80,315 |
| **Total net assets** | $ 9,982 | $ 45,857 | $ 60,886 | $ -- -- | $ 116,725 |

*State of Illinois*

# Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds
## Central Management Services
**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | State Garage Revolving Fund | Statistical Services Revolving Fund | Communications Revolving Fund | Health Insurance Reserve Fund | Total |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Charges for sales and services | $ 35,915 | $ 89,294 | $ 125,110 | $ 1,274,911 | $ 1,525,230 |
| Other | 120 | 1 | | 8,212 | 8,333 |
| **Total operating revenues** | 36,035 | 89,295 | 125,110 | 1,283,123 | 1,533,563 |
| **OPERATING EXPENSES** | | | | | |
| Cost of sales and services | 24,199 | 72,459 | 91,216 | | 187,874 |
| Benefit payments and refunds | | | | 1,274,388 | 1,274,388 |
| General and administrative | 8,454 | 2,742 | 6,867 | 9,377 | 27,440 |
| Depreciation | 893 | 5,537 | 4,899 | | 11,329 |
| Other | 517 | | 9,860 | | 10,377 |
| **Total operating expenses** | 34,063 | 80,738 | 112,842 | 1,283,765 | 1,511,408 |
| **Operating income (loss)** | 1,972 | 8,557 | 12,268 | (642) | 22,155 |
| **NONOPERATING REVENUES (EXPENSES)** | | | | | |
| Interest and investment income | 7 | | | 642 | 649 |
| Interest expense | (71) | (176) | (27) | | (274) |
| Other revenues | 1,748 | 147 | | | 1,895 |
| Other expenses | (5) | (3) | (23) | | (31) |
| **Net income (loss)** | 3,651 | 8,525 | 12,218 | -- -- | 24,394 |
| Net assets, July 1, 2002 | 6,331 | 37,332 | 48,668 | | 92,331 |
| **NET ASSETS, JUNE 30, 2003** | $ 9,982 | $ 45,857 | $ 60,886 | $ -- -- | $ 116,725 |

*State of Illinois*

# Combining Statement of Cash Flows - Internal Service Funds
## Central Management Services
**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | State Garage Revolving Fund | Statistical Services Revolving Fund | Communications Revolving Fund | Health Insurance Reserve Fund | Total |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Cash received from sales and services | $ 33,561 | $ 86,825 | $ 118,803 | $ 1,275,821 | $ 1,515,010 |
| Cash payments to suppliers for goods and services | (17,235) | (49,078) | (97,069) | (1,219,518) | (1,382,900) |
| Cash payments to employees for services | (13,352) | (23,257) | (9,768) | (3,606) | (49,983) |
| Cash receipts from other operating activities | 120 | 1 | | 7,802 | 7,923 |
| Net cash provided (used) by operating activities | 3,094 | 14,491 | 11,966 | 60,499 | 90,050 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | |
| Acquisition and construction of capital assets | | (1,343) | (2,985) | | (4,328) |
| Principal paid on bond maturities and equipment contracts | (766) | (2,375) | (415) | | (3,556) |
| Interest paid on bond maturities and equipment contracts | (71) | (176) | (27) | | (274) |
| Net cash (used) by capital and related financing activities | (837) | (3,894) | (3,427) | -- -- | (8,158) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Interest and dividends on investments | 7 | | | 1,302 | 1,309 |
| Net cash provided by investing activities | 7 | -- -- | -- -- | 1,302 | 1,309 |
| **Net increase (decrease) in cash and cash equivalents** | 2,264 | 10,597 | 8,539 | 61,801 | 83,201 |
| Cash and cash equivalents, July 1, 2002 | 1,592 | 7,316 | 22,326 | 91,385 | 122,619 |
| **CASH AND CASH EQUIVALENTS, JUNE 30, 2003** | $ 3,856 | $ 17,913 | $ 30,865 | $ 153,186 | $ 205,820 |
| **Reconciliation of cash and cash equivalents to the balance sheet:** | | | | | |
| Total cash and cash equivalents per the balance sheet | $ 3,748 | $ 17,913 | $ 30,865 | $ 153,186 | $ 205,712 |
| Add: restricted cash equivalents | 108 | | | | 108 |
| **CASH AND CASH EQUIVALENTS, JUNE 30, 2003** | $ 3,856 | $ 17,913 | $ 30,865 | $ 153,186 | $ 205,820 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | | | |
| **OPERATING INCOME (LOSS)** | $ 1,972 | $ 8,557 | $ 12,268 | $ (642) | $ 22,155 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation | 893 | 5,537 | 4,899 | | 11,329 |
| Provision for uncollectible accounts | | | (17) | | (17) |
| Changes in assets and liabilities: | | | | | |
| (Increase) decrease in accounts receivable | (4) | | 40 | (4,285) | (4,249) |
| (Increase) decrease in intergovernmental receivables | 20 | | 259 | | 279 |
| (Increase) decrease in due from other funds | (2,372) | (6,436) | (6,697) | 77,321 | 61,816 |
| (Increase) decrease in due from component units | 1 | 7 | 91 | 29,441 | 29,540 |
| (Increase) decrease in inventories | 245 | 67 | | | 312 |
| (Increase) decrease in prepaid expenses | | 301 | | | 301 |
| Increase (decrease) in accounts payable and accrued liabilities | 2,439 | 1,510 | 1,558 | (42,845) | (37,338) |
| Increase (decrease) in intergovernmental payables | 4 | 68 | 7 | | 79 |
| Increase (decrease) in due to other funds | 114 | 1,948 | (228) | 1,595 | 3,429 |
| Increase (decrease) in due to component units | | (6) | (4) | | (10) |
| Increase (decrease) in deferred revenue | | 3,960 | | | 3,960 |
| Increase (decrease) in other liabilities | (218) | (1,022) | (210) | (86) | (1,536) |
| Total adjustments | 1,122 | 5,934 | (302) | 61,141 | 67,895 |
| **NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | $ 3,094 | $ 14,491 | $ 11,966 | $ 60,499 | $ 90,050 |
| **NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES** | | | | | |
| Cost of capital assets acquisitions financed by capital leases | | | $ 73 | | $ 73 |
| Cost of installment purchases | $ 20 | $ 2,966 | | | 2,986 |
| Transfer of assets from other state funds | 1,748 | 147 | | | 1,895 |
| Total noncash investing, capital and financing activities | $ 1,768 | $ 3,113 | $ 73 | $ -- -- | $ 4,954 |

**This Page Intentionally Left Blank**

## PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

The Pension (and Other Employee Benefit) Trust Funds are maintained to account for the resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans and other employee benefit plans.

## SIGNIFICANT PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS DESCRIPTIONS

**Central Management Services**

Deferred Compensation Plan—to account for the assets held in the State's Internal Revenue Code Section 457 Plan. All employees of the State are eligible to voluntary elect to contribute a portion of their compensation to the Plan through payroll deductions.

**General Assembly Retirement System, Judges' Retirement System, State Employees' Retirement System, Teachers' Retirement System and State Universities Retirement System**

See Note 15 on page 89 for description of retirement systems.

*State of Illinois*

# Combining Statement of Fiduciary Net Assets
# Pension (and Other Employee Benefit) Trust Funds

**June 30, 2003 (Expressed in Thousands)**

| | Central Management Services | | | | | State Universities Retirement System | |
|---|---|---|---|---|---|---|---|
| | Deferred Compensation Plan | General Assembly Retirement System | Judges' Retirement System | State Employees' Retirement System | Teachers' Retirement System | Defined Benefit | Defined Contribution |
| **ASSETS** | | | | | | | |
| Cash equity with State Treasurer | $ 6,037 | $ 1,615 | $ 7,324 | $ 36,050 | $ 3,652 | | |
| Cash and cash equivalents | | | | | | $ 398,175 | |
| Investments: | | | | | | | |
| Equities | 1,322,474 | | | | 12,649,353 | 6,167,737 | $ 8,699 |
| Fixed income | 492,358 | | | | 7,314,850 | 3,527,722 | 4,185 |
| Real estate | | | | | 2,412,294 | 745 | 4 |
| Other | | | | | 1,559,118 | | 170,429 |
| Equity in Illinois State Board of Investments | | 47,386 | 317,541 | 7,436,094 | | | |
| Securities lending collateral | | | | | 2,154,423 | 1,210,412 | |
| Receivables, net: | | | | | | | |
| Members | | 7 | 416 | | 108,573 | 16,144 | 1,644 |
| Employers | | | | 13,440 | 7,379 | | |
| Investment income | | 2 | 7 | | 165,639 | 452,648 | |
| Other | 640 | | 13 | | | 41,986 | 5,526 |
| Due from other funds | | 783 | 4,927 | 18,217 | 2,966 | 170 | |
| Due from component units | | | | | | 8,187 | |
| Prepaid expenses | | | | | 2,213 | | |
| Capital assets not being depreciated | | | | 900 | 238 | 532 | |
| Capital assets being depreciated, net | | 1 | 2 | 2,188 | 2,393 | 11,659 | |
| **Total assets** | 1,821,509 | 49,794 | 330,230 | 7,506,889 | 26,383,091 | 11,836,117 | 190,487 |
| **LIABILITIES** | | | | | | | |
| Accounts payable and accrued liabilities | 426 | 3 | 107 | 3,917 | 1,102,420 | 13,507 | |
| Due to other funds | 55 | 88 | 29 | 65 | 27 | 40 | |
| Other liabilities | | | | | 2,154,423 | 2,088,811 | |
| Long term obligations: | | | | | | | |
| Due within one year | 7 | | | 7 | 14 | 10,000 | |
| Due subsequent to one year | 95 | 27 | 40 | 789 | 1,384 | 9,212 | |
| **Total liabilities** | 583 | 118 | 176 | 4,778 | 3,258,268 | 2,121,570 | |
| **NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS** | $ 1,820,926 | $ 49,676 | $ 330,054 | $ 7,502,111 | $ 23,124,823 | $ 9,714,547 | $ 190,487 |

| Total |
|---|
| $ 54,678 |
| 398,175 |
| 20,148,263 |
| 11,339,115 |
| 2,413,043 |
| 1,729,547 |
| 7,801,021 |
| 3,364,835 |
| 126,784 |
| 20,819 |
| 618,296 |
| 48,165 |
| 27,063 |
| 8,187 |
| 2,213 |
| 1,670 |
| 16,243 |
| 48,118,117 |
| 1,120,380 |
| 304 |
| 4,243,234 |
| 10,028 |
| 11,547 |
| 5,385,493 |
| $ 42,732,624 |

*State of Illinois*

# Combining Statement of Changes in Fiduciary Net Assets
# Pension (and Other Employee Benefit) Trust Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Central Management Services | | | | | State Universities Retirement System | |
|---|---|---|---|---|---|---|---|
| | Deferred Compensation Plan | General Assembly Retirement System | Judges' Retirement System | State Employees' Retirement System | Teachers' Retirement System | Defined Benefit | Defined Contribution |
| **ADDITIONS** | | | | | | | |
| Contributions: | | | | | | | |
| Employer | | $ 5,434 | $ 31,440 | $ 396,067 | $ 41,135 | $ 35,934 | $ 4,437 |
| State | | | | | 929,710 | 249,330 | 20,316 |
| Members | $ 163,579 | 1,954 | 12,905 | 285,209 | 732,020 | 246,285 | 29,616 |
| Other | 4,339 | | | | 50,418 | | |
| Total contributions | 167,918 | 7,388 | 44,345 | 681,276 | 1,753,283 | 531,549 | 54,369 |
| Investment income: | | | | | | | |
| Interest and other investment income | 38,131 | 1,211 | 7,890 | 181,493 | 707,381 | 235,002 | |
| Net appreciation (depreciation) of investments | 16,695 | (1,340) | (7,429) | (150,508) | 467,463 | 32,993 | 4,993 |
| Less investment expense | | (105) | (687) | (15,965) | (113,992) | (17,597) | |
| Net investment income (loss) | 54,826 | (234) | (226) | 15,020 | 1,060,852 | 250,398 | 4,993 |
| **Total additions** | 222,744 | 7,154 | 44,119 | 696,296 | 2,814,135 | 781,947 | 59,362 |
| **DEDUCTIONS** | | | | | | | |
| Benefit payments and refunds | 76,895 | 11,238 | 57,297 | 859,856 | 2,041,738 | 836,662 | 671 |
| Participants' withdrawals | 69,218 | | | | | 32,219 | 2,958 |
| Interest expense | | | | | | 1,282 | |
| Depreciation | | 1 | 1 | 222 | 533 | 1,762 | |
| General and administration | 1,389 | 290 | 426 | 8,000 | 13,326 | 10,151 | |
| Other | 192 | | | | | | |
| **Total deductions** | 147,694 | 11,529 | 57,724 | 868,078 | 2,055,597 | 882,076 | 3,629 |
| **Net additions (deductions)** | 75,050 | (4,375) | (13,605) | (171,782) | 758,538 | (100,129) | 55,733 |
| Net assets held in trust for pension and other employee benefits, July 1, 2002 | 1,745,876 | 54,051 | 343,659 | 7,673,893 | 22,366,285 | 9,814,676 | 134,754 |
| **NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS, JUNE 30, 2003** | $ 1,820,926 | $ 49,676 | $ 330,054 | $ 7,502,111 | $ 23,124,823 | $ 9,714,547 | $ 190,487 |

| Total |
|---|
| $ 514,447 |
| 1,199,356 |
| 1,471,568 |
| 54,757 |
| 3,240,128 |
| |
| 1,171,108 |
| 362,867 |
| (148,346) |
| 1,385,629 |
| 4,625,757 |
| |
| 3,884,357 |
| 104,395 |
| 1,282 |
| 2,519 |
| 33,582 |
| 192 |
| 4,026,327 |
| |
| 599,430 |
| |
| 42,133,194 |
| |
| $ 42,732,624 |

## INVESTMENT TRUST FUNDS

Investment Trust Funds are maintained to account for the external portion of investment pools (the portion that belongs to legally separate entities that are not part of the sponsoring government's financial reporting entity).

## SIGNIFICANT INVESTMENT TRUST FUNDS DESCRIPTIONS

**Treasurer**

Public Treasurers' External Investment Pool Fund--to enhance the investment opportunities available to custodians of public agency funds throughout the State of Illinois. The pool operates as an open-ended mutual fund.

College Savings Pool Fund--to account for assets held by the Bright Start College Savings Program, a qualified State tuition program under Section 529 of the Internal Revenue Code. The program provides an opportunity for investors to invest on a tax-favored basis toward the qualified higher education expenses of a designated beneficiary associated with attending an institution of higher education.

**Department of Lottery**

Deferred Prize Winners Trust Fund--to hold the proceeds of investments that will be paid to Illinois State Lottery prize winners. Investment contracts are executed by the State Treasurer with the State Lottery Director's approval in a manner which ensures the timely payment to prize winners.

*State of Illinois*

# Combining Statement of Fiduciary Net Assets
# Investment Trust Funds
**June 30, 2003 (Expressed in Thousands)**

| | Treasurer | | Lottery | |
|---|---|---|---|---|
| | Public Treasurers' External Investment Pool Fund | College Savings Pool Fund | Deferred Prize Winners' Trust Fund | Total |
| **ASSETS** | | | | |
| Cash equity with State Treasurer | | | $ 1,362 | $ 1,362 |
| Cash and cash equivalents | $ 261,156 | $ 2,179 | | 263,335 |
| Investments: | | | | |
| Equities | | 625,196 | | 625,196 |
| Fixed income | | | 1,171,658 | 1,171,658 |
| Public Treasurer's Investment Pool | 3,340,587 | | | 3,340,587 |
| Investment income receivables, net | 529 | 1,261 | 3 | 1,793 |
| **Total assets** | 3,602,272 | 628,636 | 1,173,023 | 5,403,931 |
| **LIABILITIES** | | | | |
| Accounts payable and accrued liabilities | 149 | | | 149 |
| Due to other funds | 232 | | 378 | 610 |
| Other liabilities | | 1,258 | 987 | 2,245 |
| **Total liabilities** | 381 | 1,258 | 1,365 | 3,004 |
| **NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS** | $ 3,601,891 | $ 627,378 | $ 1,171,658 | $ 5,400,927 |

*State of Illinois*

# Combining Statement of Changes in Fiduciary Net Assets
# Investment Trust Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Treasurer | | Lottery | |
|---|---|---|---|---|
| | Public Treasurers' External Investment Pool Fund | College Savings Pool Fund | Deferred Prize Winners' Trust Fund | Total |
| **ADDITIONS** | | | | |
| Participant deposits | $ 4,938,658 | $ 359,462 | $ 72,700 | $ 5,370,820 |
| Investment income: | | | | |
| Interest and other investment income | 67,082 | 7,723 | 78,075 | 152,880 |
| Net appreciation of investments | | 36,288 | 55,016 | 91,304 |
| Less investment expense | (4,499) | | | (4,499) |
| Net investment income | 62,583 | 44,011 | 133,091 | 239,685 |
| **Total additions** | 5,001,241 | 403,473 | 205,791 | 5,610,505 |
| **DEDUCTIONS** | | | | |
| Participant withdrawals | 5,017,219 | 99,180 | 244,364 | 5,360,763 |
| Distribution to pool investors | 62,583 | | | 62,583 |
| General and administration | | 1,325 | | 1,325 |
| **Total deductions** | 5,079,802 | 100,505 | 244,364 | 5,424,671 |
| **Net additions (deductions)** | (78,561) | 302,968 | (38,573) | 185,834 |
| Net assets held in trust for pool participants, July 1, 2002 | 3,680,452 | 324,410 | 1,210,231 | 5,215,093 |
| **NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS, JUNE 30, 2003** | $ 3,601,891 | $ 627,378 | $ 1,171,658 | $ 5,400,927 |

## SIGNIFICANT AGENCY FUNDS DESCRIPTIONS

**Department of Insurance**

Security Deposit Fund--to hold securities on deposit by domestic and certain foreign domiciled insurance companies in the State for protection of all policyholders, policy obligations and creditors of the companies.

**Department of Public Aid**

Child Support Enforcement Trust Fund--to account for collections for child support payments on behalf of non-TANF child support clients to the appropriate non-TANF recipient.

**Department of Revenue**

Home Rule Municipal Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons, in such municipality, in the business of selling tangible personal property.

Home Rule County Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons, in such county, in the business of selling tangible personal property.

RTA Sales Tax Fund--to receive and record deposits of the RTA Sales Tax.

*State of Illinois*

# Combining Statement of Fiduciary Net Assets
# Agency Funds
**June 30, 2003 (Expressed in Thousands)**

| | Insurance | Public Aid | | | |
|---|---|---|---|---|---|
| | Security Deposit Fund | Child Support Enforcement Trust Fund | Revenue | Other | Total |
| **ASSETS** | | | | | |
| Cash equity with State Treasurer | | $ 8,018 | $ 109,404 | $ 79,167 | $ 196,589 |
| Cash and cash equivalents | | | | 31,228 | 31,228 |
| Receivables, net: | | | | | |
| Taxes | | | 63,949 | 16,890 | 80,839 |
| Intergovernmental | | | | 365 | 365 |
| Other | | 187,495 | 57 | 18,070 | 205,622 |
| Due from other funds | | | 21,976 | 4,109 | 26,085 |
| Due from component units | | | | 227 | 227 |
| Other assets | $ 1,299,932 | | | 16,916 | 1,316,848 |
| **Total assets** | $ 1,299,932 | $ 195,513 | $ 195,386 | $ 166,972 | $ 1,857,803 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued liabilities | | $ 8,018 | $ 1,187 | $ 20,955 | $ 30,160 |
| Intergovernmental payables | | | 194,199 | 87,140 | 281,339 |
| Due to component units | | | | 2,040 | 2,040 |
| Depository and other liabilities | $ 1,299,932 | 187,495 | | 56,837 | 1,544,264 |
| **Total liabilities** | $ 1,299,932 | $ 195,513 | $ 195,386 | $ 166,972 | $ 1,857,803 |

*State of Illinois*

# Combining Statement of Fiduciary Net Assets - Agency Funds
# Revenue

**June 30, 2003 (Expressed in Thousands)**

| | Home Rule Municipal Retailers Occupation Tax Fund | Home Rule County Retailers Occupation Tax Fund | RTA Sales Tax Trust Fund | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash equity with State Treasurer | $ 49,936 | $ 25,390 | $ 34,078 | $ 109,404 |
| Receivables, net: | | | | |
| Taxes | 23,711 | 13,917 | 26,321 | 63,949 |
| Other | 25 | 14 | 18 | 57 |
| Due from other funds | | | 21,976 | 21,976 |
| **Total assets** | $ 73,672 | $ 39,321 | $ 82,393 | $ 195,386 |
| **LIABILITIES** | | | | |
| Accounts payable and accrued liabilities | $ 1,187 | | | $ 1,187 |
| Intergovernmental payables | 72,485 | $ 39,321 | $ 82,393 | 194,199 |
| **Total liabilities** | $ 73,672 | $ 39,321 | $ 82,393 | $ 195,386 |

*State of Illinois*

# Combining Statement of Changes in Assets and Liabilities
# All Agency Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Assets | | | | | |
|---|---|---|---|---|---|---|
| | | | Receivables, net | | | |
| | Cash equity with State Treasurer | Cash and cash equivalents | Taxes | Intergovern-mental | Other | Due from other funds |
| **AGENCY/FUND** | | | | | | |
| **Insurance:** | | | | | | |
| Security Deposit | | | | | | |
| Balance July 1, 2002 | | | | | | |
| Additions | | | | | | |
| Deductions | | | | | | |
| Balance June 30, 2003 | | | | | | |
| **Public Aid:** | | | | | | |
| Child Support Enforcement Trust | | | | | | |
| Balance July 1, 2002 | $ 11,938 | | | | $ 152,597 | $ 318 |
| Additions | 118,364 | | | | 187,495 | |
| Deductions | 122,284 | | | | 152,597 | 318 |
| Balance June 30, 2003 | 8,018 | | | | 187,495 | -- -- |
| **Revenue:** | | | | | | |
| Home Rule Municipal Retailers Occupation Tax | | | | | | |
| Balance July 1, 2002 | 41,842 | | $ 28,456 | | 40 | |
| Additions | 457,199 | | 23,712 | | 25 | |
| Deductions | 449,105 | | 28,457 | | 40 | |
| Balance June 30, 2003 | 49,936 | | 23,711 | | 25 | |
| Home Rule County Retailers Occupation Tax Fund | | | | | | |
| Balance July 1, 2002 | 23,535 | | 16,640 | | 27 | |
| Additions | 276,462 | | 13,917 | | 14 | |
| Deductions | 274,607 | | 16,640 | | 27 | |
| Balance June 30, 2003 | 25,390 | | 13,917 | | 14 | |
| RTA Sales Tax Trust | | | | | | |
| Balance July 1, 2002 | 35,405 | | 32,924 | | 40 | 22,572 |
| Additions | 631,642 | | 26,321 | | 18 | 21,976 |
| Deductions | 632,969 | | 32,924 | | 40 | 22,572 |
| Balance June 30, 2003 | 34,078 | | 26,321 | | 18 | 21,976 |
| **Other:** | | | | | | |
| Balance July 1, 2002 | 92,893 | $ 89,460 | 17,514 | $ 383 | 21,056 | 3,995 |
| Additions | 1,230,878 | 871,882 | 19,118 | 365 | 17,398 | 4,109 |
| Deductions | 1,244,604 | 930,114 | 19,742 | 383 | 20,384 | 3,995 |
| Balance June 30, 2003 | 79,167 | 31,228 | 16,890 | 365 | 18,070 | 4,109 |
| **Total-All Agency Funds:** | | | | | | |
| Balance July 1, 2002 | 205,613 | 89,460 | 95,534 | 383 | 173,760 | 26,885 |
| Additions | 2,714,545 | 871,882 | 83,068 | 365 | 204,950 | 26,085 |
| Deductions | 2,723,569 | 930,114 | 97,763 | 383 | 173,088 | 26,885 |
| Balance June 30, 2003 | $ 196,589 | $ 31,228 | $ 80,839 | $ 365 | $ 205,622 | $ 26,085 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Liabilities | | | | |
| Due from component units | | Other assets | Total assets | Accounts payable and accrued liabilities | Intergovern-mental payables | Due to component units | | Depository and other liabilities | Total liabilities | |
| | | $ 1,271,950 | $ 1,271,950 | | | | | $ 1,271,950 | $ 1,271,950 | |
| | | 688,368 | 688,368 | | | | | 688,368 | 688,368 | |
| | | 660,386 | 660,386 | | | | | 660,386 | 660,386 | |
| | | 1,299,932 | 1,299,932 | | | | | 1,299,932 | 1,299,932 | |
| | | | 164,853 | $ 11,938 | | | | 152,915 | 164,853 | |
| | | | 305,859 | 8,018 | | | | 187,495 | 195,513 | |
| | | | 275,199 | 11,938 | | | | 152,915 | 164,853 | |
| | | | 195,513 | 8,018 | | | | 187,495 | 195,513 | |
| | | | 70,338 | 1,107 | $ 69,231 | | | | 70,338 | |
| | | | 480,936 | 1,187 | 72,485 | | | | 73,672 | |
| | | | 477,602 | 1,107 | 69,231 | | | | 70,338 | |
| | | | 73,672 | 1,187 | 72,485 | | | | 73,672 | |
| | | | 40,202 | | 40,202 | | | | 40,202 | |
| | | | 290,393 | | 39,321 | | | | 39,321 | |
| | | | 291,274 | | 40,202 | | | | 40,202 | |
| | | | 39,321 | | 39,321 | | | | 39,321 | |
| | | | 90,941 | | 90,941 | | | | 90,941 | |
| | | | 679,957 | | 82,393 | | | | 82,393 | |
| | | | 688,505 | | 90,941 | | | | 90,941 | |
| | | | 82,393 | | 82,393 | | | | 82,393 | |
| $ | 199 | 16,939 | 242,439 | 19,749 | 103,960 | $ | 7 | 118,723 | 242,439 | |
| | 227 | 5,671 | 2,149,648 | 805,324 | 631,166 | | 2,040 | 391,302 | 1,829,832 | |
| | 199 | 5,694 | 2,225,115 | 804,118 | 647,986 | | 7 | 453,188 | 1,905,299 | |
| | 227 | 16,916 | 166,972 | 20,955 | 87,140 | | 2,040 | 56,837 | 166,972 | |
| | 199 | 1,288,889 | 1,880,723 | 32,794 | 304,334 | | 7 | 1,543,588 | 1,880,723 | |
| | 227 | 694,039 | 4,595,161 | 814,529 | 825,365 | | 2,040 | 1,267,165 | 2,909,099 | |
| | 199 | 666,080 | 4,618,081 | 817,163 | 848,360 | | 7 | 1,266,489 | 2,932,019 | |
| $ | 227 | $ 1,316,848 | $ 1,857,803 | $ 30,160 | $ 281,339 | $ | 2,040 | $ 1,544,264 | $ 1,857,803 | |

## COMPONENT UNITS

Component Units are legally separate organizations for which the elected officials of the primary government are financially accountable. Component Units also include certain other organizations because of the nature and significance of their relationship with the primary government.

## NON-MAJOR COMPONENT UNITS DESCRIPTIONS

Illinois Literacy Foundation--to account for supplemental funds raised from the private sector to promote the Illinois Literacy Foundation.

Community Development Finance Corporation--to promote economic redevelopment within designated areas.

Illinois Grain Insurance Corporation--to account for monies held to compensate grain producers for losses from the failure of a grain dealer.

Illinois Conservation Foundation--to provide additional funding for the Illinois Department of Natural Resources' conservation programs that either are not receiving adequate State funding or else cannot be implemented because State funding is not available.

The Comprehensive Health Insurance Plan Board--to provide an alternate market for health insurance for eligible Illinois residents having a preexisting health condition.

East St. Louis Financial Advisory Authority--to provide a secure financial basis for and to furnish assistance to the City of East St. Louis.

Illinois Farm Development Authority--to develop various programs designed to maintain and promote the agricultural economy of the State.

Illinois Health Facilities Authority--to provide alternative methods of financing to not-for-profit and public health care providers.

Illinois Educational Facilities Authority--to provide tax exempt financing for the acquisition or construction of educational facilities.

Illinois Development Finance Authority--to provide funding for industrial, commercial and manufacturing development in areas of Illinois with critical unemployment.

Illinois Rural Bond Bank--to provide assistance to rural government units by providing adequate capital markets and facilities for borrowing money and financing improvements at low interest rates.

Illinois Medical District Commission--to combine the resources of diverse medical institutions to promote low cost medical care in the City of Chicago, accelerate scientific research, improve diagnostic methods and train health care professionals.

Quad Cities Regional Economic Development Authority--to provide funding for development in the Quad cities region.

Southwestern Illinois Development Authority--to promote and enhance economic development in St. Clair and Madison counties in southwestern Illinois.

Upper Illinois River Valley Development Authority--to promote and enhance economic development within the State's Upper Illinois River Valley.

Will-Kankakee Regional Development Authority--to promote and enhance economic development in the counties of Will and Kankakee.

Board of Trustees of Chicago State University--to operate, manage, control and maintain Chicago State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Eastern Illinois University--to operate, manage, control and maintain Eastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Governors State University--to operate, manage, control and maintain Governors State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Northeastern Illinois University--to operate, manage, control and maintain Northeastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Western Illinois University--to operate, manage, control and maintain Western Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

*State of Illinois*

# Combining Statement of Net Assets
# Component Units - Other Authorities
**June 30, 2003 (Expressed in Thousands)**

| | Illinois Literacy Foundation | Community Development Finance Corporation | Illinois Grain Insurance Corporation | Illinois Conservation Foundation | Comprehensive Health Insurance Board |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash equity with State Treasurer | | | | | |
| Cash and cash equivalents | $ 46 | $ 7 | $ 1,155 | $ 3,728 | $ 69,281 |
| Investments | | | | 65 | 29,551 |
| Receivables, net: | | | | | |
| Intergovernmental | | | | | |
| Other | | | | 30 | 370 |
| Due from primary government | | | 283 | | |
| Inventories | | | | 15 | |
| Prepaid expenses | | | | 6 | 3 |
| Unamortized bond issuance costs | | | | | |
| Loans and notes receivable, net | | | | | |
| Restricted assets: | | | | | |
| Cash and cash equivalents | | | | | |
| Investments | | | | | |
| Other receivables, net | | | | | |
| Loans and notes receivable, net | | | | | |
| Other assets | | | | | |
| Capital assets not being depreciated | | | | | |
| Capital assets being depreciated, net | | | | | 97 |
| **Total assets** | 46 | 7 | 1,438 | 3,844 | 99,302 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued liabilities | | | | 12 | 10,454 |
| Intergovernmental payables | | | | | |
| Due to primary government | | | 4,000 | | 10 |
| Deferred revenue | | | | | |
| Liabilities payable from restricted assets | | | | | |
| Long-term obligations: | | | | | |
| Due within one year | | | | | 24,277 |
| Due subsequent to one year | | | | | 229 |
| **Total liabilities** | | | 4,000 | 12 | 34,970 |
| **NET ASSETS** | | | | | |
| Invested in capital assets, net of related debt | | | | | 97 |
| Restricted for: | | | | | |
| Nonexpendable purposes | | | | 65 | |
| Other purposes | | | | 3,461 | 64,235 |
| Unrestricted | 46 | 7 | (2,562) | 306 | |
| **Total net assets** | $ 46 | $ 7 | $ (2,562) | $ 3,832 | $ 64,332 |

| East St. Louis Financial Advisory Authority | Illinois Farm Development Authority | Illinois Health Facilities Authority | Illinois Educational Facilities Authority | Illinois Development Finance Authority | Illinois Rural Bond Bank | Illinois Medical District Commission | Quad Cities Regional Economic Development Authority |
|---|---|---|---|---|---|---|---|
| | $ 21,698 | | | | | | |
| $ 226 | 207 | $ 1,520 | $ 204 | $ 7,277 | $ 2,482 | $ 778 | $ 170 |
| 5,470 | 2,733 | 5,875 | 591 | 11,564 | | | |
| | 304 | 561 | 35 | 44 | 1,362 | 187 | |
| 24 | | | | | | 137 | |
| | | 27 | 3 | 163 | | | |
| | | | | | 1,041 | | |
| | | | | 1,015 | 78,859 | | |
| | | | | 4,595 | 442 | | |
| | | 975 | | 5,487 | 22,019 | | |
| | | | | | 305 | | |
| | | | | 10,341 | | | |
| | | | | | | 26,310 | |
| 1 | 32 | | | 1 | 5 | 6,489 | |
| 5,721 | 24,974 | 8,958 | 833 | 40,487 | 106,515 | 33,901 | 170 |
| | | | | | | | |
| 24 | 112 | 38 | 76 | 555 | 1,893 | 330 | |
| | | | | | 1 | | |
| | | | | | 13 | 2 | |
| | | 22 | | | 1,057 | 552 | |
| 2 | 28 | 8 | | 53 | 23,508 | 189 | |
| | 32 | | | 991 | 76,215 | 2,568 | 48 |
| 26 | 172 | 68 | 76 | 1,599 | 102,687 | 3,641 | 48 |
| | | | | | | | |
| 1 | 32 | | | 1 | 5 | 32,764 | |
| | | 975 | | 1,132 | 1,087 | | |
| 5,694 | 24,770 | 7,915 | 757 | 37,755 | 2,736 | (2,504) | 122 |
| $ 5,695 | $ 24,802 | $ 8,890 | $ 757 | $ 38,888 | $ 3,828 | $ 30,260 | $ 122 |

*State of Illinois*

# Combining Statement of Net Assets
# Component Units - Other Authorities
**June 30, 2003 (Expressed in Thousands)**

**(continued)**

| | Southwestern Illinois Development Authority | Upper Illinois River Valley Development Authority | Will-Kankakee Regional Development Authority | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash equity with State Treasurer | | | | $ 21,698 |
| Cash and cash equivalents | $ 2,024 | $ 343 | $ 51 | 89,499 |
| Investments | 28 | | | 55,877 |
| Receivables, net: | | | | |
| Intergovernmental | | | | |
| Other | 108 | | | 3,001 |
| Due from primary government | | | | 444 |
| Inventories | | | | 15 |
| Prepaid expenses | | | | 202 |
| Unamortized bond issuance costs | | | | 1,041 |
| Loans and notes receivable, net | 1,537 | | | 81,411 |
| Restricted assets: | | | | |
| Cash | | | | 5,037 |
| Investments | | | | 28,481 |
| Other receivables, net | 5,080 | | | 5,385 |
| Loans and notes receivable, net | | | | 10,341 |
| Other assets | 191 | | | 191 |
| Capital assets not being depreciated | 100 | | | 26,410 |
| Capital assets being depreciated, net | 453 | | | 7,078 |
| **Total assets** | 9,521 | 343 | 51 | 336,111 |
| **LIABILITIES** | | | | |
| Accounts payable and accrued liabilities | 14 | | | 13,508 |
| Intergovernmental payables | | | | 1 |
| Due to primary government | | | | 4,025 |
| Deferred revenue | 5,080 | | | 6,711 |
| Liabilities payable from restricted assets | 60 | | | 60 |
| Long-term obligations: | | | | |
| Due within one year | 10 | | | 48,075 |
| Due subsequent to one year | 41 | | | 80,124 |
| **Total liabilities** | 5,205 | | | 152,504 |
| **NET ASSETS** | | | | |
| Invested in capital assets, net of related debt | 553 | | | 33,453 |
| Restricted for: | | | | |
| Nonexpendable purposes | | | | 65 |
| Other purposes | | | | 70,890 |
| Unrestricted | 3,763 | 343 | 51 | 79,199 |
| **Total net assets** | $ 4,316 | $ 343 | $ 51 | $ 183,607 |

**This Page Intentionally Left Blank**

*State of Illinois*

# Combining Statement of Activities
# Component Units - Other Authorities

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| Functions/Programs | Expenses | Program revenues: Charges for services | Program revenues: Operating grants and contributions | Net (expense) revenue |
|---|---|---|---|---|
| Illinois Literacy Foundation | $ 28 | | | $ (28) |
| Community Development Finance Corporation | | | | |
| Illinois Grain Insurance Corporation | 816 | $ 912 | $ 1,302 | 1,398 |
| Illinois Conservation Foundation | 2,434 | | 2,539 | 105 |
| Comprehensive Health Insurance Board | 113,190 | 73,469 | | (39,721) |
| East St. Louis Financial Advisory Authority | 246 | | | (246) |
| Illinois Farm Development Authority | 1,368 | 515 | 541 | (312) |
| Illinois Health Facilities Authority | 1,353 | 1,298 | | (55) |
| Illinois Educational Facilities Authority | 394 | 367 | | (27) |
| Illinois Development Finance Authority | 2,980 | 2,576 | | (404) |
| Illinois Rural Bond Bank | 5,428 | 4,303 | | (1,125) |
| Illinois Medical District Commission | 6,321 | | | (6,321) |
| Quad Cities Regional Economic Development Authority | 43 | 10 | | (33) |
| Southwestern Illinois Development Authority | 395 | 526 | | 131 |
| Upper Illinois River Valley Development Authority | 149 | 220 | | 71 |
| Will-Kankakee Regional Development Authority | 43 | 29 | | (14) |
| Total | $ 135,188 | $ 84,225 | $ 4,382 | $ (46,581) |

| General revenues | | | | | | |
|---|---|---|---|---|---|---|
| State appropriations | Interest and investment income | Other | Change in net assets | Net assets, July 1, 2002, as restated | Net assets, June 30. 2003 |
| | | $ 8 | $ (20) | $ 66 | $ 46 |
| | | | | 7 | 7 |
| | $ 13 | | 1,411 | (3,973) | (2,562) |
| | 38 | 86 | 229 | 3,603 | 3,832 |
| | 2,098 | 19,600 | (18,023) | 82,355 | 64,332 |
| $ 238 | 156 | 3 | 151 | 5,544 | 5,695 |
| | 154 | | (158) | 24,960 | 24,802 |
| | 246 | | 191 | 8,699 | 8,890 |
| | 13 | | (14) | 771 | 757 |
| | (527) | | (931) | 39,819 | 38,888 |
| 275 | 753 | | (97) | 3,925 | 3,828 |
| 7,361 | 4 | 3,228 | 4,272 | 25,988 | 30,260 |
| | | | (33) | 155 | 122 |
| | 94 | 85 | 310 | 4,006 | 4,316 |
| | | | 71 | 272 | 343 |
| | | | (14) | 65 | 51 |
| $ 7,874 | $ 3,042 | $ 23,010 | $ (12,655) | $ 196,262 | $ 183,607 |

*State of Illinois*

# Combining Statement of Net Assets
# Component Units - Other Universities
**June 30, 2003 (Expressed in Thousands)**

| | Chicago State University | Eastern Illinois University | Governors State University | Northeastern Illinois University | Western Illinois University |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 4,588 | $ 8,039 | $ 4,519 | $ 22,243 | $ 40,521 |
| Investments | 1,687 | 3,631 | | 1,420 | 27,045 |
| Receivables, net: | | | | | |
| Intergovernmental | | | 637 | 1,629 | 1,537 |
| Other | 4,860 | 4,890 | 3,583 | 1,467 | 3,364 |
| Due from component units | | | | 14 | 49 |
| Due from primary government | 239 | 3,247 | 1,090 | 618 | 2,066 |
| Inventories | 82 | 1,797 | 44 | 129 | 3,311 |
| Prepaid expenses | 107 | 177 | | 174 | 19 |
| Unamortized bond issuance costs | | 408 | | | 198 |
| Loans and notes receivable, net | 587 | 5,578 | 3,220 | 2,151 | 2,061 |
| Restricted assets: | | | | | |
| Cash and cash equivalents | 256 | 17,189 | | 2,240 | |
| Investments | | 35,651 | 573 | | 5,111 |
| Other receivables, net | | 1,026 | | | |
| Inventory | | 48 | | | |
| Other assets | | 452 | | | |
| Other assets | | 259 | | 390 | |
| Capital assets not being depreciated | 28,194 | 9,146 | 12,296 | 6,351 | 6,205 |
| Capital assets being depreciated, net | 48,976 | 127,246 | 43,811 | 72,123 | 115,547 |
| **Total assets** | 89,576 | 218,784 | 69,773 | 110,949 | 207,034 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued liabilities | 6,605 | 7,137 | 2,524 | 4,865 | 15,306 |
| Intergovernmental payables | | | 3,000 | | 475 |
| Due to component units | 58 | | | | 49 |
| Due to primary government | 1,233 | 1,536 | 99 | 133 | 184 |
| Deferred revenue | 1,704 | 2,550 | 1,632 | 1,935 | 3,125 |
| Liabilities payable from restricted assets | | 15,412 | | | 692 |
| Other liabilities | | 1,823 | | 45 | 3,002 |
| Long-term obligations: | | | | | |
| Due within one year | 2,276 | 6,432 | 1,807 | 4,977 | 4,312 |
| Due subsequent to one year | 35,127 | 71,337 | 9,191 | 11,060 | 73,889 |
| **Total liabilities** | 47,003 | 106,227 | 18,253 | 23,015 | 101,034 |
| **NET ASSETS** | | | | | |
| Invested in capital assets, net of related debt | 50,501 | 76,784 | 52,128 | 73,424 | 75,773 |
| Restricted for: | | | | | |
| Capital projects | 245 | 6,593 | | | |
| Debt service | 313 | 2,809 | | 571 | 5,111 |
| Nonexpendable purposes | 1,286 | 15,513 | 722 | 1,432 | |
| Other expendable purposes | 1,307 | 18,008 | 1,330 | 5,473 | 18,727 |
| Unrestricted (deficit) | (11,079) | (7,150) | (2,660) | 7,034 | 6,389 |
| **Total net assets** | $ 42,573 | $ 112,557 | $ 51,520 | $ 87,934 | $ 106,000 |

| | Total |
|---|---|
| $ | 79,910 |
| | 33,783 |
| | 3,803 |
| | 18,164 |
| | 63 |
| | 7,260 |
| | 5,363 |
| | 477 |
| | 606 |
| | 13,597 |
| | 19,685 |
| | 41,335 |
| | 1,026 |
| | 48 |
| | 452 |
| | 649 |
| | 62,192 |
| | 407,703 |
| | 696,116 |
| | 36,437 |
| | 3,475 |
| | 107 |
| | 3,185 |
| | 10,946 |
| | 16,104 |
| | 4,870 |
| | 19,804 |
| | 200,604 |
| | 295,532 |
| | 328,610 |
| | 6,838 |
| | 8,804 |
| | 18,953 |
| | 44,845 |
| | (7,466) |
| $ | 400,584 |

*State of Illinois*

# Combining Statement of Activities
# Component Units - Other Universities

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| Functions/Programs | Expenses | Program revenues: Charges for service | Program revenues: Operating grants and contributions | Program revenues: Capital grants and contributions | Net (expense) revenue |
|---|---|---|---|---|---|
| Chicago State University | $ 94,574 | $ 18,940 | $ 22,307 | | $ (53,327) |
| Eastern Illinois University | 156,502 | 75,591 | 15,463 | $ 36 | (65,412) |
| Governors State University | 57,894 | 20,177 | 8,792 | | (28,925) |
| Northeastern Illinois University | 105,765 | 24,336 | 23,208 | | (58,221) |
| Western Illinois University | 195,619 | 89,636 | 25,074 | | (80,909) |
| Total | $ 610,354 | $ 228,680 | $ 94,844 | $ 36 | $ (286,794) |

| General revenues | | | | | | | |
|---|---|---|---|---|---|---|---|
| State appropriations | Interest and investment income | Other | Contributions to permanent funds | Change in net assets | Net assets, July 1, 2002 | Net assets, June 30, 2003 |
| $ 61,648 | $ 119 | $ 1,356 | | $ 9,796 | $ 32,777 | $ 42,573 |
| 74,106 | 2,783 | | $ 945 | 12,422 | 100,135 | 112,557 |
| 42,701 | 74 | 1 | | 13,851 | 37,669 | 51,520 |
| 60,597 | 227 | 1,786 | 94 | 4,483 | 83,451 | 87,934 |
| 84,869 | 639 | 743 | 665 | 6,007 | 99,993 | 106,000 |
| $ 323,921 | $ 3,842 | $ 3,886 | $ 1,704 | $ 46,559 | $ 354,025 | $ 400,584 |

**This Page Intentionally Left Blank**

# Budgetary Schedules

The following budgetary schedules for the State have been prepared in accordance with the terminology and classifications of funds used by the State in the Statewide Accounting Management System ("SAMS") budgetary purposes. SAMS establishes the following budgetary fund groups to account for the State's budgetary activities:

***General*** – funds established to account for those services traditionally provided by a state government which are not required to be accounted for in other funds;

***Highway*** – funds established to receive and distribute assessments related to transportation, and to support the construction and maintenance of transportation facilities and activities of the State;

***Special State*** – funds designated by statute as special funds in the State Treasury and not elsewhere classified;

***Bond Financed*** – funds established to receive and administer the proceeds of various bond issues of the State;

***Debt Service*** – funds established to finance and account for the payment of principal and interest generally associated with the general and special obligation bond issues of the State;

***Federal Trust*** – funds established pursuant to grants and contracts or under statutory authority between State agencies and the federal government;

***Revolving*** – funds established to finance and account for intra-governmental services; and

***State Trust*** – funds established by statute or under statutory authority for nonfederal programs which are not deemed to be a traditional governmental activity or elsewhere classified.

As the attached schedules are presented on the budgetary basis and not the GAAP basis of accounting, all budgeted funds of the State, including those presented as required supplemental information, are presented. The schedules presented as required supplemental information classify certain major governmental funds differently for GAAP reporting purposes than the following budgetary presentation. Below is a summary of those differences:

| GAAP Basis | Budgetary Basis Includes |
|---|---|
| General Fund | All General Funds<br>Special State Funds:<br>Budget Stabilization Fund<br>University of Illinois Hospital Services Fund<br>County Hospital Services Fund<br>Care Provider Fund for Person with Developmental Disabilities Fund<br>Long Term Care Fund<br>Drug Rebate Fund<br>Income Tax Refund Fund<br>and 11 funds included as other special state funds |
| Motor Fuel Tax Fund | Highway Funds:<br>Motor Fuel Tax Fund - State<br>Motor Fuel Tax Fund - Counties<br>Motor Fuel Tax Fund - Municipalities<br>Motor Fuel Tax Fund - Townships |

*State of Illinois*

## Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) All Budgeted Fund Groups

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | General Funds | | | Highway Funds | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES** | | | | | | |
| Income taxes | $ 8,150,000 | $ 8,079,226 | $ (70,774) | | | |
| Sales taxes | 6,053,000 | 6,059,374 | 6,374 | | | |
| Motor fuel taxes | | | | $ 1,314,000 | $ 1,322,029 | $ 8,029 |
| Public utility taxes | 1,035,000 | 1,005,986 | (29,014) | | | |
| Federal government | 4,075,000 | 3,903,053 | (171,947) | 900,000 | 718,164 | (181,836) |
| Other | 2,075,000 | 2,019,063 | (55,937) | 1,365,000 | 1,319,855 | (45,145) |
| Less: | | | | | | |
| Refunds | 31,912 | 29,893 | (2,019) | 25,919 | 17,291 | (8,628) |
| **Total revenues** | 21,356,088 | 21,036,809 | (319,279) | 3,553,081 | 3,342,757 | (210,324) |
| **EXPENDITURES** | | | | | | |
| Current: | | | | | | |
| Health and social services | 9,942,731 | 9,817,474 | (125,257) | | | |
| Education | 8,677,925 | 8,593,017 | (84,908) | | | |
| General government | 1,370,814 | 1,337,268 | (33,546) | 302,130 | 283,258 | (18,872) |
| Transportation | 65,360 | 61,950 | (3,410) | 3,240,928 | 3,143,705 | (97,223) |
| Public protection and justice | 1,760,408 | 1,695,290 | (65,118) | 97,310 | 97,310 | - |
| Employment and economic development | 164,316 | 151,278 | (13,038) | 2,000 | 1,795 | (205) |
| Environment and business regulation | 196,088 | 178,707 | (17,381) | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest | | | | | | |
| Capital outlays | 47,606 | 28,511 | (19,095) | 26,505 | 17,799 | (8,706) |
| **Total expenditures** | 22,225,248 | 21,863,495 | (361,753) | 3,668,873 | 3,543,867 | (125,006) |
| **Excess (deficiency) of revenues over (under) expenditures** | (869,160) | (826,686) | 42,474 | (115,792) | (201,110) | (85,318) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | |
| Proceeds from general and special obligation bond and certificate issues | 1,675,000 | 1,675,000 | - | | | |
| Transfers-in | 4,567,000 | 4,703,187 | 136,187 | 1,199,965 | 1,274,395 | 74,430 |
| Transfers-out | (5,425,164) | (5,425,164) | - | (1,546,201) | (1,546,201) | - |
| **Total other sources (uses) of financial resources** | 816,836 | 953,023 | 136,187 | (346,236) | (271,806) | 74,430 |
| **Budgetary funds-nonbudgeted accounts** | | | | | | |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (52,324) | 126,337 | 178,661 | (462,028) | (472,916) | (10,888) |
| Budgetary fund balances (deficits), July 1, 2002 | (1,220,060) | (1,220,060) | - | 1,071,383 | 1,071,383 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (1,272,384) | $ (1,093,723) | $ 178,661 | $ 609,355 | $ 598,467 | $ (10,888) |

| Special State Funds | | | Bond Financed Funds | | | Debt Service Funds | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ 1,671,392 | $ 1,671,392 | $ - | | | | | | |
| 884,834 | 622,408 | (262,426) | | | | | | |
| 69,380 | 66,286 | (3,094) | | | | | | |
| 247,265 | 433,568 | 186,303 | | | | | | |
| 2,416,635 | 2,458,325 | 41,690 | | | | $ 150 | $ - | $ (150) |
| 5,065,280 | 5,418,221 | 352,941 | | | | 23,866 | 38,087 | 14,221 |
| 1,612,319 | 1,606,589 | (5,730) | | | | | | |
| 8,742,467 | 9,063,611 | 321,144 | | | | 24,016 | 38,087 | 14,071 |
| 4,638,233 | 4,114,483 | (523,750) | | | | | | |
| 264,839 | 190,814 | (74,025) | $ 686,747 | $ 345,097 | $ (341,650) | | | |
| 3,975,297 | 3,701,068 | (274,229) | (30,258) | 306,790 | 337,048 | | | |
| 376,568 | 289,756 | (86,812) | 533,722 | 528,468 | (5,254) | | | |
| 207,630 | 134,899 | (72,731) | 44 | - | (44) | | | |
| 483,050 | 314,773 | (168,277) | 344,525 | 339,759 | (4,766) | | | |
| 1,000,108 | 684,353 | (315,755) | 105,523 | 83,320 | (22,203) | | | |
| 445 | 445 | - | 138,351 | 138,351 | - | 2,416,116 | 2,395,610 | (20,506) |
| | | | | | | 481,758 | 474,939 | (6,819) |
| 78,618 | 25,571 | (53,047) | 574,327 | 454,101 | (120,226) | | | |
| 11,024,788 | 9,456,162 | (1,568,626) | 2,352,981 | 2,195,886 | (157,095) | 2,897,874 | 2,870,549 | (27,325) |
| (2,282,321) | (392,551) | 1,889,770 | (2,352,981) | (2,195,886) | 157,095 | (2,873,858) | (2,832,462) | 41,396 |
| 10,302,293 | 10,302,293 | - | 1,900,000 | 2,139,855 | 239,855 | 1,100,017 | 1,100,017 | - |
| 2,067,120 | 2,119,077 | 51,957 | - | 5,000 | 5,000 | 2,323,576 | 2,295,536 | (28,040) |
| (3,081,605) | (3,081,605) | - | (5,000) | (5,000) | - | (445) | (445) | - |
| 9,287,808 | 9,339,765 | 51,957 | 1,895,000 | 2,139,855 | 244,855 | 3,423,148 | 3,395,108 | (28,040) |
| (386) | (386) | - | | | | | | |
| 7,005,101 | 8,946,828 | 1,941,727 | (457,981) | (56,031) | 401,950 | 549,290 | 562,646 | 13,356 |
| 1,715,662 | 1,715,662 | - | 265,376 | 265,376 | - | 487,351 | 487,351 | - |
| $ 8,720,763 | $ 10,662,490 | $ 1,941,727 | $ (192,605) | $ 209,345 | $ 401,950 | $ 1,036,641 | $ 1,049,997 | $ 13,356 |

**(continued)**

*State of Illinois*

## Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) All Budgeted Fund Groups

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

**(continued)**

| | Federal Trust Funds | | | Revolving Funds | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES** | | | | | | |
| Income taxes | | | | | | |
| Sales taxes | | | | | | |
| Motor fuel taxes | | | | | | |
| Public utility taxes | | | | | | |
| Federal government | $ 2,842,228 | $ 3,303,263 | $ 461,035 | $ - | $ 400 | $ 400 |
| Other | 153,398 | 182,148 | 28,750 | 308,258 | 244,066 | (64,192) |
| Less: | | | | | | |
| Refunds | 3,290 | 72 | (3,218) | 8,152 | 112 | (8,040) |
| **Total revenues** | 2,992,336 | 3,485,339 | 493,003 | 300,106 | 244,354 | (55,752) |
| **EXPENDITURES** | | | | | | |
| Current: | | | | | | |
| Health and social services | 1,304,137 | 910,390 | (393,747) | | | |
| Education | 2,259,478 | 1,725,587 | (533,891) | | | |
| General government | 14,809 | 10,559 | (4,250) | 368,403 | 227,150 | (141,253) |
| Transportation | 228,377 | 128,377 | (100,000) | 1,000 | 555 | (445) |
| Public protection and justice | 324,032 | 106,247 | (217,785) | 58,330 | 37,623 | (20,707) |
| Employment and economic development | 879,409 | 480,058 | (399,351) | | | |
| Environment and business regulation | 83,906 | 57,686 | (26,220) | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest | | | | | | |
| Capital outlays | 14,149 | 3,850 | (10,299) | 5,642 | 1,339 | (4,303) |
| **Total expenditures** | 5,108,297 | 3,422,754 | (1,685,543) | 433,375 | 266,667 | (166,708) |
| **Excess (deficiency) of revenues over (under) expenditures** | (2,115,961) | 62,585 | 2,178,546 | (133,269) | (22,313) | 110,956 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | | |
| Proceeds from general and special obligation bond and certificate issues | | | | | | |
| Transfers-in | 1,284 | 18,484 | 17,200 | 11,550 | 16,958 | 5,408 |
| Transfers-out | (18,499) | (18,499) | - | (210) | (210) | - |
| **Total other sources (uses) of financial resources** | (17,215) | (15) | 17,200 | 11,340 | 16,748 | 5,408 |
| **Budgetary funds-nonbudgeted accounts** | (8,075) | (8,075) | - | | | |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (2,141,251) | 54,495 | 2,195,746 | (121,929) | (5,565) | 116,364 |
| Budgetary fund balances (deficits), July 1, 2002 | (38,974) | (38,974) | - | 18,547 | 18,547 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (2,180,225) | $ 15,521 | $ 2,195,746 | $ (103,382) | $ 12,982 | $ 116,364 |

| State Trust Funds | | | Total (Memorandum Only) | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ 9,821,392 | $ 9,750,618 | $ (70,774) |
| $ 459,566 | $ 459,566 | $ - | 7,397,400 | 7,141,348 | (256,052) |
| 27,925 | 27,925 | - | 1,411,305 | 1,416,240 | 4,935 |
| 94,503 | 94,503 | - | 1,376,768 | 1,534,057 | 157,289 |
| 145,778 | 62,160 | (83,618) | 10,379,791 | 10,445,365 | 65,574 |
| 1,560,925 | 1,975,057 | 414,132 | 10,551,727 | 11,196,497 | 644,770 |
| 200 | 31 | (169) | 1,681,792 | 1,653,988 | (27,804) |
| 2,288,497 | 2,619,180 | 330,683 | 39,256,591 | 39,830,137 | 573,546 |
| 187,406 | 107,524 | (79,882) | 16,072,507 | 14,949,871 | (1,122,636) |
| 25,000 | 4,009 | (20,991) | 11,913,989 | 10,858,524 | (1,055,465) |
| 248,976 | 165,312 | (83,664) | 6,250,171 | 6,031,405 | (218,766) |
| | | | 4,445,955 | 4,152,811 | (293,144) |
| 4,050 | 1,810 | (2,240) | 2,451,804 | 2,073,179 | (378,625) |
| 2,622 | 25 | (2,597) | 1,875,922 | 1,287,688 | (588,234) |
| 10,380 | 5,856 | (4,524) | 1,396,005 | 1,009,922 | (386,083) |
| | | | 2,554,912 | 2,534,406 | (20,506) |
| | | | 481,758 | 474,939 | (6,819) |
| 826 | 97 | (729) | 747,673 | 531,268 | (216,405) |
| 479,260 | 284,633 | (194,627) | 48,190,696 | 43,904,013 | (4,286,683) |
| 1,809,237 | 2,334,547 | 525,310 | (8,934,105) | (4,073,876) | 4,860,229 |
| | | | 14,977,310 | 15,217,165 | 239,855 |
| 6 | 2,079 | 2,073 | 10,170,501 | 10,434,716 | 264,215 |
| (190,276) | (190,276) | - | (10,267,400) | (10,267,400) | - |
| (190,270) | (188,197) | 2,073 | 14,880,411 | 15,384,481 | 504,070 |
| (2,113,893) | (2,113,893) | - | (2,122,354) | (2,122,354) | - |
| (494,926) | 32,457 | 527,383 | 3,823,952 | 9,188,251 | 5,364,299 |
| 228,785 | 228,785 | - | 2,528,070 | 2,528,070 | - |
| $ (266,141) | $ 261,242 | $ 527,383 | $ 6,352,022 | $ 11,716,321 | $ 5,364,299 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) General Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | General Revenue | | | Special Account | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Income taxes | $ 7,555,000 | $ 7,489,426 | $ (65,574) | | | |
| Sales taxes | 4,540,000 | 4,551,146 | 11,146 | $ 1,513,000 | $ 1,508,228 | $ (4,772) |
| Public utility taxes | 923,000 | 904,271 | (18,729) | | | |
| Federal government | 4,075,000 | 3,903,053 | (171,947) | | | |
| Other | 1,928,000 | 1,871,773 | (56,227) | | | |
| Less: | | | | | | |
| Refunds | 31,912 | 29,893 | (2,019) | | | |
| **Total revenues** | 18,989,088 | 18,689,776 | (299,312) | 1,513,000 | 1,508,228 | (4,772) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | 9,942,731 | 9,817,474 | (125,257) | | | |
| Education | 4,325,658 | 4,242,676 | (82,982) | | | |
| General government | 1,370,803 | 1,337,257 | (33,546) | | | |
| Transportation | 65,360 | 61,950 | (3,410) | | | |
| Public protection and justice | 1,760,408 | 1,695,290 | (65,118) | | | |
| Employment and economic development | 164,316 | 151,278 | (13,038) | | | |
| Environment and business regulation | 196,088 | 178,707 | (17,381) | | | |
| Capital outlays | 47,570 | 28,476 | (19,094) | | | |
| **Total expenditures** | 17,872,934 | 17,513,108 | (359,826) | | | |
| **Excess (deficiency) of revenues over (under) expenditures** | 1,116,154 | 1,176,668 | 60,514 | 1,513,000 | 1,508,228 | (4,772) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation certificate issues | 1,675,000 | 1,675,000 | - | | | |
| Transfers-in | 1,044,000 | 1,151,361 | 107,361 | | | |
| Transfers-out | (3,941,798) | (3,941,798) | - | (1,482,921) | (1,482,921) | - |
| **Total other sources (uses) of financial resources** | (1,222,798) | (1,115,437) | 107,361 | (1,482,921) | (1,482,921) | - |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (106,644) | 61,231 | 167,875 | 30,079 | 25,307 | (4,772) |
| Budgetary fund balances (deficits), July 1, 2002 | (1,470,207) | (1,470,207) | - | 37,147 | 37,147 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (1,576,851) | $ (1,408,976) | $ 167,875 | $ 67,226 | $ 62,454 | $ (4,772) |

| Education Assistance | | | Common School | | | Total | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ 595,000 | $ 589,800 | $ (5,200) | | | | $ 8,150,000 | $ 8,079,226 | $ (70,774) |
| | | | | | | 6,053,000 | 6,059,374 | 6,374 |
| | | | $ 112,000 | $ 101,715 | $ (10,285) | 1,035,000 | 1,005,986 | (29,014) |
| | | | | | | 4,075,000 | 3,903,053 | (171,947) |
| | 3,276 | 3,276 | 147,000 | 144,014 | (2,986) | 2,075,000 | 2,019,063 | (55,937) |
| | | | | | | 31,912 | 29,893 | (2,019) |
| 595,000 | 593,076 | (1,924) | 259,000 | 245,729 | (13,271) | 21,356,088 | 21,036,809 | (319,279) |
| | | | | | | 9,942,731 | 9,817,474 | (125,257) |
| 1,137,017 | 1,135,448 | (1,569) | 3,215,250 | 3,214,893 | (357) | 8,677,925 | 8,593,017 | (84,908) |
| 11 | 11 | - | | | | 1,370,814 | 1,337,268 | (33,546) |
| | | | | | | 65,360 | 61,950 | (3,410) |
| | | | | | | 1,760,408 | 1,695,290 | (65,118) |
| | | | | | | 164,316 | 151,278 | (13,038) |
| | | | | | | 196,088 | 178,707 | (17,381) |
| 36 | 35 | (1) | | | | 47,606 | 28,511 | (19,095) |
| 1,137,064 | 1,135,494 | (1,570) | 3,215,250 | 3,214,893 | (357) | 22,225,248 | 21,863,495 | (361,753) |
| (542,064) | (542,418) | (354) | (2,956,250) | (2,969,164) | (12,914) | (869,160) | (826,686) | 42,474 |
| | | | | | | 1,675,000 | 1,675,000 | - |
| 575,000 | 553,500 | (21,500) | 2,948,000 | 2,998,326 | 50,326 | 4,567,000 | 4,703,187 | 136,187 |
| (294) | (294) | - | (151) | (151) | - | (5,425,164) | (5,425,164) | - |
| 574,706 | 553,206 | (21,500) | 2,947,849 | 2,998,175 | 50,326 | 816,836 | 953,023 | 136,187 |
| 32,642 | 10,788 | (21,854) | (8,401) | 29,011 | 37,412 | (52,324) | 126,337 | 178,661 |
| 197,861 | 197,861 | - | 15,139 | 15,139 | - | (1,220,060) | (1,220,060) | - |
| $ 230,503 | $ 208,649 | $ (21,854) | $ 6,738 | $ 44,150 | $ 37,412 | $ (1,272,384) | $ (1,093,723) | $ 178,661 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Highway Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Road | | | Motor Fuel Tax-State | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Motor fuel taxes | | | | $ 1,314,000 | $ 1,322,029 | $ 8,029 |
| Federal government | $ 900,000 | $ 718,164 | $ (181,836) | | | |
| Other | 856,000 | 814,515 | (41,485) | - | 1,620 | 1,620 |
| Less: | | | | | | |
| Refunds | 2,919 | 2,763 | (156) | 23,000 | 14,528 | (8,472) |
| **Total revenues** | 1,753,081 | 1,529,916 | (223,165) | 1,291,000 | 1,309,121 | 18,121 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | 227,558 | 223,319 | (4,239) | 74,572 | 59,939 | (14,633) |
| Transportation | 1,858,923 | 1,790,352 | (68,571) | 11,151 | 10,278 | (873) |
| Public protection and justice | 97,310 | 97,310 | - | | | |
| Employment and economic development | 2,000 | 1,795 | (205) | | | |
| Capital outlays | 26,324 | 17,655 | (8,669) | 181 | 144 | (37) |
| **Total expenditures** | 2,212,115 | 2,130,431 | (81,684) | 85,904 | 70,361 | (15,543) |
| **Excess (deficiency) of revenues over (under) expenditures** | (459,034) | (600,515) | (141,481) | 1,205,096 | 1,238,760 | 33,664 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | 326,900 | 363,943 | 37,043 | - | 1 | 1 |
| Transfers-out | (260,368) | (260,368) | - | (1,239,504) | (1,239,504) | - |
| **Total other sources (uses) of financial resources** | 66,532 | 103,575 | 37,043 | (1,239,504) | (1,239,503) | 1 |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (392,502) | (496,940) | (104,438) | (34,408) | (743) | 33,665 |
| Budgetary fund balances (deficits), July 1, 2002 | 775,840 | 775,840 | - | 106,159 | 106,159 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ 383,338 | $ 278,900 | $ (104,438) | $ 71,751 | $ 105,416 | $ 33,665 |

| Grade Crossing Protection | | | State Construction Account | | | Motor Fuel Tax-Counties | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ - | $ 1 | $ 1 | $ 509,000 | $ 503,564 | $ (5,436) | | | |
| - | 1 | 1 | 509,000 | 503,564 | (5,436) | | | |
| 29,328 | 29,234 | (94) | 698,526 | 698,518 | (8) | $ 225,100 | $ 215,370 | $ (9,730) |
| 29,328 | 29,234 | (94) | 698,526 | 698,518 | (8) | 225,100 | 215,370 | (9,730) |
| (29,328) | (29,233) | 95 | (189,526) | (194,954) | (5,428) | (225,100) | (215,370) | 9,730 |
| 27,000 | 27,000 | - | 227,165 | 260,559 | 33,394 | 216,700 | 218,074 | 1,374 |
| (11,253) | (11,253) | - | (35,076) | (35,076) | - | | | |
| 15,747 | 15,747 | - | 192,089 | 225,483 | 33,394 | 216,700 | 218,074 | 1,374 |
| (13,581) | (13,486) | 95 | 2,563 | 30,529 | 27,966 | (8,400) | 2,704 | 11,104 |
| 29,854 | 29,854 | - | 214,643 | 214,643 | - | (19,295) | (19,295) | - |
| $ 16,273 | $ 16,368 | $ 95 | $ 217,206 | $ 245,172 | $ 27,966 | $ (27,695) | $ (16,591) | $ 11,104 |

**(continued)**

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Highway Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

**(continued)**

| | Motor Fuel Tax-Municipalities | | | Motor Fuel Tax-Township | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Motor fuel taxes | | | | | | |
| Federal government | | | | | | |
| Other | $ - | $ 155 | $ 155 | | | |
| Less: | | | | | | |
| Refunds | | | | | | |
| **Total revenues** | - | 155 | 155 | | | |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Transportation | 315,700 | 302,202 | (13,498) | $ 102,200 | $ 97,751 | $ (4,449) |
| Public protection and justice | | | | | | |
| Employment and economic development | | | | | | |
| Capital outlays | | | | | | |
| **Total expenditures** | 315,700 | 302,202 | (13,498) | 102,200 | 97,751 | (4,449) |
| **Excess (deficiency) of revenues over (under) expenditures** | (315,700) | (302,047) | 13,653 | (102,200) | (97,751) | 4,449 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | 303,900 | 305,840 | 1,940 | 98,300 | 98,978 | 678 |
| Transfers-out | | | | | | |
| **Total other sources (uses) of financial resources** | 303,900 | 305,840 | 1,940 | 98,300 | 98,978 | 678 |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (11,800) | 3,793 | 15,593 | (3,900) | 1,227 | 5,127 |
| Budgetary fund balances (deficits), July 1, 2002 | (27,061) | (27,061) | - | (8,757) | (8,757) | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (38,861) | $ (23,268) | $ 15,593 | $ (12,657) | $ (7,530) | $ 5,127 |

| | Total | |
|---|---|---|
| Final Budget | Actual | Variance Over (Under) |
| $ 1,314,000 | $ 1,322,029 | $ 8,029 |
| 900,000 | 718,164 | (181,836) |
| 1,365,000 | 1,319,855 | (45,145) |
| 25,919 | 17,291 | (8,628) |
| 3,553,081 | 3,342,757 | (210,324) |
| | | |
| 302,130 | 283,258 | (18,872) |
| 3,240,928 | 3,143,705 | (97,223) |
| 97,310 | 97,310 | - |
| 2,000 | 1,795 | (205) |
| 26,505 | 17,799 | (8,706) |
| 3,668,873 | 3,543,867 | (125,006) |
| (115,792) | (201,110) | (85,318) |
| | | |
| 1,199,965 | 1,274,395 | 74,430 |
| (1,546,201) | (1,546,201) | - |
| (346,236) | (271,806) | 74,430 |
| | | |
| (462,028) | (472,916) | (10,888) |
| 1,071,383 | 1,071,383 | - |
| $ 609,355 | $ 598,467 | $ (10,888) |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Elected Officials | | | Code Departments | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Income taxes | | | | $ 1,671,392 | $ 1,671,392 | $ - |
| Sales taxes | | | | 867,384 | 605,113 | (262,271) |
| Motor fuel taxes | | | | | | |
| Public utility taxes | | | | 108,745 | 310,175 | 201,430 |
| Federal government | $ 83,000 | $ 98,721 | $ 15,721 | 2,100,952 | 2,121,275 | 20,323 |
| Other | 389,087 | 408,619 | 19,532 | 3,887,972 | 4,199,113 | 311,141 |
| Less: | | | | | | |
| Refunds | | | | 1,607,134 | 1,602,344 | (4,790) |
| **Total revenues** | 472,087 | 507,340 | 35,253 | 7,029,311 | 7,304,724 | 275,413 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | 396,303 | 391,007 | (5,296) | 3,990,846 | 3,572,509 | (418,337) |
| Education | 85,615 | 85,614 | (1) | 1,035 | 1,035 | - |
| General government | 27,350 | 26,320 | (1,030) | 3,626,047 | 3,446,969 | (179,078) |
| Transportation | | | | 342,478 | 262,771 | (79,707) |
| Public protection and justice | 2,225 | 2,225 | - | 86,200 | 45,287 | (40,913) |
| Employment and economic development | 3,024 | 3,024 | - | 246,329 | 182,579 | (63,750) |
| Environment and business regulation | 2,360 | 2,281 | (79) | 72,463 | 51,162 | (21,301) |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Capital outlays | 9,674 | 7,791 | (1,883) | 4,905 | 720 | (4,185) |
| **Total expenditures** | 526,551 | 518,262 | (8,289) | 8,370,303 | 7,563,032 | (807,271) |
| **Excess (deficiency) of revenues over (under) expenditures** | (54,464) | (10,922) | 43,542 | (1,340,992) | (258,308) | 1,082,684 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation bond and certificate issues | 9,477,293 | 9,477,293 | - | 825,000 | 825,000 | - |
| Transfers-in | 80,000 | 266,703 | 186,703 | 1,636,625 | 1,539,296 | (97,329) |
| Transfers-out | (601,715) | (601,715) | - | (2,161,125) | (2,161,125) | - |
| **Total other sources (uses) of financial resources** | 8,955,578 | 9,142,281 | 186,703 | 300,500 | 203,171 | (97,329) |
| **Budgetary funds-nonbudgeted accounts** | | | | (7) | (7) | - |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts** | 8,901,114 | 9,131,359 | 230,245 | (1,040,499) | (55,144) | 985,355 |
| Budgetary fund balances (deficits), July 1, 2002 | 321,747 | 321,747 | - | 313,317 | 313,317 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ 9,222,861 | $ 9,453,106 | $ 230,245 | $ (727,182) | $ 258,173 | $ 985,355 |

| Agencies, Boards & Commissions | | | Higher Education<br>Illinois Community College Board<br>Adult Education | | | Other | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | | | | $ 17,450 | $ 17,295 | $ (155) |
| $ 69,380 | $ 66,286 | $ (3,094) | | | | | | |
| 102,446 | 89,715 | (12,731) | | | | 36,074 | 33,678 | (2,396) |
| 94,601 | 116,346 | 21,745 | $ 27,500 | $ 25,574 | $ (1,926) | 110,582 | 96,409 | (14,173) |
| 158,854 | 182,909 | 24,055 | | | | 629,367 | 627,580 | (1,787) |
| 222 | 7 | (215) | | | | 4,963 | 4,238 | (725) |
| 425,059 | 455,249 | 30,190 | 27,500 | 25,574 | (1,926) | 788,510 | 770,724 | (17,786) |
| | | | | | | 251,084 | 150,967 | (100,117) |
| 10,847 | 10,803 | (44) | 28,116 | 24,830 | (3,286) | 139,226 | 68,532 | (70,694) |
| 66,553 | 39,309 | (27,244) | | | | 255,347 | 188,470 | (66,877) |
| | | | | | | 34,090 | 26,985 | (7,105) |
| 3,450 | 2,987 | (463) | | | | 115,755 | 84,400 | (31,355) |
| 31,597 | 31,045 | (552) | | | | 202,100 | 98,125 | (103,975) |
| 585,824 | 368,149 | (217,675) | | | | 339,461 | 262,761 | (76,700) |
| | | | | | | 445 | 445 | - |
| 438 | 252 | (186) | | | | 63,601 | 16,808 | (46,793) |
| 698,709 | 452,545 | (246,164) | 28,116 | 24,830 | (3,286) | 1,401,109 | 897,493 | (503,616) |
| (273,650) | 2,704 | 276,354 | (616) | 744 | 1,360 | (612,599) | (126,769) | 485,830 |
| 63,597 | 63,051 | (546) | | | | 286,898 | 250,027 | (36,871) |
| (164,217) | (164,217) | - | | | | (154,548) | (154,548) | - |
| (100,620) | (101,166) | (546) | | | | 132,350 | 95,479 | (36,871) |
| | | | | | | (379) | (379) | - |
| (374,270) | (98,462) | 275,808 | (616) | 744 | 1,360 | (480,628) | (31,669) | 448,959 |
| 474,827 | 474,827 | - | (2,911) | (2,911) | - | 608,682 | 608,682 | - |
| $ 100,557 | $ 376,365 | $ 275,808 | (3,527) | (2,167) | 1,360 | 128,054 | $ 577,013 | $ 448,959 |

**(continued)**

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

**(continued)**

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | |
| Income taxes | $ 1,671,392 | $ 1,671,392 | $ - |
| Sales taxes | 884,834 | 622,408 | (262,426) |
| Motor fuel taxes | 69,380 | 66,286 | (3,094) |
| Public utility taxes | 247,265 | 433,568 | 186,303 |
| Federal government | 2,416,635 | 2,458,325 | 41,690 |
| Other | 5,065,280 | 5,418,221 | 352,941 |
| Less: | | | |
| Refunds | 1,612,319 | 1,606,589 | (5,730) |
| **Total revenues** | 8,742,467 | 9,063,611 | 321,144 |
| **EXPENDITURES:** | | | |
| Current: | | | |
| Health and social services | 4,638,233 | 4,114,483 | (523,750) |
| Education | 264,839 | 190,814 | (74,025) |
| General government | 3,975,297 | 3,701,068 | (274,229) |
| Transportation | 376,568 | 289,756 | (86,812) |
| Public protection and justice | 207,630 | 134,899 | (72,731) |
| Employment and economic development | 483,050 | 314,773 | (168,277) |
| Environment and business regulation | 1,000,108 | 684,353 | (315,755) |
| Debt service: | | | |
| Principal | 445 | 445 | - |
| Capital outlays | 78,618 | 25,571 | (53,047) |
| **Total expenditures** | 11,024,788 | 9,456,162 | (1,568,626) |
| **Excess (deficiency) of revenues over (under) expenditures** | (2,282,321) | (392,551) | 1,889,770 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | |
| Proceeds from general obligation bond and certificate issues | 10,302,293 | 10,302,293 | - |
| Transfers-in | 2,067,120 | 2,119,077 | 51,957 |
| Transfers-out | (3,081,605) | (3,081,605) | - |
| **Total other sources (uses) of financial resources** | 9,287,808 | 9,339,765 | 51,957 |
| **Budgetary funds-nonbudgeted accounts** | (386) | (386) | - |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts** | 7,005,101 | 8,946,828 | 1,941,727 |
| Budgetary fund balances (deficits), July 1, 2002 | 1,715,662 | 1,715,662 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ 8,720,763 | $ 10,662,490 | $ 1,941,727 |

**This Page Intentionally Left Blank**

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Elected Officials

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Comptroller | | | Treasurer | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | | | | $ 83,000 | $ 98,721 | $ 15,721 |
| Other | | | | 389,087 | 408,619 | 19,532 |
| **Total revenues** | | | | 472,087 | 507,340 | 35,253 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 396,303 | 391,007 | (5,296) |
| Education | | | | 85,615 | 85,614 | (1) |
| General government | | | | 27,350 | 26,320 | (1,030) |
| Public protection and justice | | | | 2,225 | 2,225 | - |
| Employment and economic development | | | | 3,024 | 3,024 | - |
| Environment and business regulation | | | | 2,360 | 2,281 | (79) |
| Capital outlays | | | | 9,674 | 7,791 | (1,883) |
| **Total expenditures** | | | | 526,551 | 518,262 | (8,289) |
| **Excess (deficiency) of revenues over (under) expenditures** | | | | (54,464) | (10,922) | 43,542 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation bond issues | $ 9,477,293 | $ 9,477,293 | $ - | | | |
| Transfers-in | - | 225,703 | 225,703 | 80,000 | 41,000 | (39,000) |
| Transfers-out | (525,701) | (525,701) | - | (76,014) | (76,014) | - |
| **Total other sources (uses) of financial resources** | 8,951,592 | 9,177,295 | 225,703 | 3,986 | (35,014) | (39,000) |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | 8,951,592 | 9,177,295 | 225,703 | (50,478) | (45,936) | 4,542 |
| Budgetary fund balances, July 1, 2002 | 225,702 | 225,702 | - | 96,045 | 96,045 | - |
| | - | | | | | |
| **BUDGETARY FUND BALANCES, JUNE 30, 2003** | $ 9,177,294 | $ 9,402,997 | $ 225,703 | $ 45,567 | $ 50,109 | $ 4,542 |

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| | $ 83,000 | $ 98,721 | $ 15,721 |
| | 389,087 | 408,619 | 19,532 |
| | 472,087 | 507,340 | 35,253 |
| | 396,303 | 391,007 | (5,296) |
| | 85,615 | 85,614 | (1) |
| | 27,350 | 26,320 | (1,030) |
| | 2,225 | 2,225 | - |
| | 3,024 | 3,024 | - |
| | 2,360 | 2,281 | (79) |
| | 9,674 | 7,791 | (1,883) |
| | 526,551 | 518,262 | (8,289) |
| | (54,464) | (10,922) | 43,542 |
| | 9,477,293 | 9,477,293 | - |
| | 80,000 | 266,703 | 186,703 |
| | (601,715) | (601,715) | - |
| | 8,955,578 | 9,142,281 | 186,703 |
| | 8,901,114 | 9,131,359 | 230,245 |
| | 321,747 | 321,747 | - |
| | $ 9,222,861 | $ 9,453,106 | $ 230,245 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Comptroller

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Pension Contribution | | | Budget Stabilization | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation bond issues | $ 9,477,293 | $ 9,477,293 | $ - | | | |
| Transfers-in | | | | $ - | $ 225,703 | $ 225,703 |
| Transfers-out | (300,000) | (300,000) | - | (225,701) | (225,701) | - |
| **Total other sources (uses) of financial resources** | 9,177,293 | 9,177,293 | - | (225,701) | 2 | 225,703 |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | 9,177,293 | 9,177,293 | - | (225,701) | 2 | 225,703 |
| Budgetary fund balances, July 1, 2002 | | | | 225,702 | 225,702 | - |
| **BUDGETARY FUND BALANCES, JUNE 30, 2003** | $ 9,177,293 | $ 9,177,293 | $ - | $ 1 | $ 225,704 | $ 225,703 |

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| | $ 9,477,293 | $ 9,477,293 | $ - |
| | - | 225,703 | 225,703 |
| | (525,701) | (525,701) | - |
| | 8,951,592 | 9,177,295 | 225,703 |
| | 8,951,592 | 9,177,295 | 225,703 |
| | 225,702 | 225,702 | - |
| | $ 9,177,294 | $ 9,402,997 | $ 225,703 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Treasurer

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | State Pensions | | | Tobacco Settlement Recovery | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | | | | $ 83,000 | $ 98,721 | $ 15,721 |
| Other | $ 85,000 | $ 89,003 | $ 4,003 | 304,087 | 319,616 | 15,529 |
| **Total revenues** | 85,000 | 89,003 | 4,003 | 387,087 | 418,337 | 31,250 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 396,303 | 391,007 | (5,296) |
| Education | 80,115 | 80,114 | (1) | 5,500 | 5,500 | - |
| General government | 26,234 | 25,373 | (861) | 1,116 | 947 | (169) |
| Public protection and justice | 2,225 | 2,225 | - | | | |
| Employment and economic development | | | | 3,024 | 3,024 | - |
| Environment and business regulation | 1,210 | 1,164 | (46) | 1,150 | 1,117 | (33) |
| Capital outlays | 60 | 49 | (11) | 9,614 | 7,742 | (1,872) |
| **Total expenditures** | 109,844 | 108,925 | (919) | 416,707 | 409,337 | (7,370) |
| **Excess (deficiency) of revenues over (under) expenditures** | (24,844) | (19,922) | 4,922 | (29,620) | 9,000 | 38,620 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | | | | 80,000 | 41,000 | (39,000) |
| Transfers-out | | | | (76,014) | (76,014) | - |
| **Total other sources (uses) of financial resources** | | | | 3,986 | (35,014) | (39,000) |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (24,844) | (19,922) | 4,922 | (25,634) | (26,014) | (380) |
| Budgetary fund balances, July 1, 2002 | 52,683 | 52,683 | - | 43,362 | 43,362 | - |
| **BUDGETARY FUND BALANCES, JUNE 30, 2003** | $ 27,839 | $ 32,761 | $ 4,922 | $ 17,728 | $ 17,348 | $ (380) |

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| | $ 83,000 | $ 98,721 | $ 15,721 |
| | 389,087 | 408,619 | 19,532 |
| | 472,087 | 507,340 | 35,253 |
| | 396,303 | 391,007 | (5,296) |
| | 85,615 | 85,614 | (1) |
| | 27,350 | 26,320 | (1,030) |
| | 2,225 | 2,225 | - |
| | 3,024 | 3,024 | - |
| | 2,360 | 2,281 | (79) |
| | 9,674 | 7,791 | (1,883) |
| | 526,551 | 518,262 | (8,289) |
| | (54,464) | (10,922) | 43,542 |
| | 80,000 | 41,000 | (39,000) |
| | (76,014) | (76,014) | - |
| | 3,986 | (35,014) | (39,000) |
| | (50,478) | (45,936) | 4,542 |
| | 96,045 | 96,045 | - |
| | $ 45,567 | $ 50,109 | $ 4,542 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Code Departments

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Central Management Services | | | Commerce and Community Affairs | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Income taxes | | | | | | |
| Sales taxes | | | | | | |
| Public utility taxes | $ 33,600 | $ 28,666 | $ (4,934) | $ 75,145 | $ 73,893 | $ (1,252) |
| Federal government | 27,640 | 181 | (27,459) | | | |
| Other | 1,258,255 | 1,289,547 | 31,292 | - | 1 | 1 |
| Less: | | | | | | |
| Refunds | | | | | | |
| **Total revenues** | 1,319,495 | 1,318,394 | (1,101) | 75,145 | 73,894 | (1,251) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 90,127 | 74,536 | (15,591) |
| Education | | | | 1,035 | 1,035 | - |
| General government | 1,356,940 | 1,342,920 | (14,020) | 4,100 | 4,000 | (100) |
| Transportation | | | | 1,604 | 368 | (1,236) |
| Public protection and justice | | | | | | |
| Employment and economic development | | | | 113,904 | 64,515 | (49,389) |
| Environment and business regulation | | | | 10,097 | 2,725 | (7,372) |
| Capital outlays | | | | 146 | 127 | (19) |
| **Total expenditures** | 1,356,940 | 1,342,920 | (14,020) | 221,013 | 147,306 | (73,707) |
| **Excess (deficiency) of revenues over (under) expenditures** | (37,445) | (24,526) | 12,919 | (145,868) | (73,412) | 72,456 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation certificate issues | | | | | | |
| Transfers-in | | | | 34,335 | 74,822 | 40,487 |
| Transfers-out | (1) | (1) | - | (40,142) | (40,142) | - |
| **Total other sources (uses) of financial resources** | (1) | (1) | - | (5,807) | 34,680 | 40,487 |
| **Budgetary funds-nonbudgeted accounts** | | | | | | |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (37,446) | (24,527) | 12,919 | (151,675) | (38,732) | 112,943 |
| Budgetary fund balances (deficits), July 1, 2002 | (16,160) | (16,160) | - | 148,628 | 148,628 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (53,606) | $ (40,687) | $ 12,919 | $ (3,047) | $ 109,896 | $ 112,943 |

| Natural Resources | | | Human Services | | | Public Aid | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ 8,338 | $ 6,442 | $ (1,896) | $ 66,930 | $ 131,022 | $ 64,092 | $ 1,549,882 | $ 1,547,247 | $ (2,635) |
| 44,896 | 43,019 | (1,877) | 25,690 | 33,477 | 7,787 | 998,999 | 1,214,391 | 215,392 |
| 1,150 | 1,149 | (1) | 100 | 24 | (76) | 4,750 | 60 | (4,690) |
| 52,084 | 48,312 | (3,772) | 92,520 | 164,475 | 71,955 | 2,544,131 | 2,761,578 | 217,447 |
| | | | 169,715 | 154,459 | (15,256) | 3,243,976 | 2,892,491 | (351,485) |
| 83 | 83 | - | 566 | 566 | - | 3,317 | 2,718 | (599) |
| 62,366 | 48,437 | (13,929) | | | | | | |
| 1,120 | 485 | (635) | 14 | 2 | (12) | 3,077 | 46 | (3,031) |
| 63,569 | 49,005 | (14,564) | 170,295 | 155,027 | (15,268) | 3,250,370 | 2,895,255 | (355,115) |
| (11,485) | (693) | 10,792 | (77,775) | 9,448 | 87,223 | (706,239) | (133,677) | 572,562 |
| | | | | | | 200,000 | 200,000 | |
| | | | - | 2 | 2 | 338,808 | 223,176 | (115,632) |
| (30,400) | (30,400) | - | (1,295) | (1,295) | - | (202,184) | (202,184) | - |
| (30,400) | (30,400) | - | (1,295) | (1,293) | 2 | 336,624 | 220,992 | (115,632) |
| | | | | | | (7) | (7) | - |
| (41,885) | (31,093) | 10,792 | (79,070) | 8,155 | 87,225 | (369,622) | 87,308 | 456,930 |
| 67,203 | 67,203 | - | (16,266) | (16,266) | - | (100,579) | (100,579) | - |
| $ 25,318 | $ 36,110 | $ 10,792 | $ (95,336) | $ (8,111) | $ 87,225 | $ (470,201) | $ (13,271) | $ 456,930 |

**(continued)**

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Code Departments

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

**(continued)**

| | Revenue | | | Transportation | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Income taxes | $ 1,671,392 | $ 1,671,392 | $ - | | | |
| Sales taxes | 867,384 | 605,113 | (262,271) | | | |
| Public utility taxes | - | 207,616 | 207,616 | | | |
| Federal government | | | | | | |
| Other | 698,747 | 778,465 | 79,718 | | | |
| Less: | | | | | | |
| Refunds | 1,601,084 | 1,601,084 | - | | | |
| **Total revenues** | 1,636,439 | 1,661,502 | 25,063 | | | |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | | | |
| Education | | | | | | |
| General government | 1,899,037 | 1,813,984 | (85,053) | | | |
| Transportation | | | | $ 340,874 | $ 262,403 | $ (78,471) |
| Public protection and justice | | | | | | |
| Employment and economic development | 132,425 | 118,064 | (14,361) | | | |
| Environment and business regulation | | | | | | |
| Capital outlays | 165 | 58 | (107) | | | |
| **Total expenditures** | 2,031,627 | 1,932,106 | (99,521) | 340,874 | 262,403 | (78,471) |
| **Excess (deficiency) of revenues over (under) expenditures** | (395,188) | (270,604) | 124,584 | (340,874) | (262,403) | 78,471 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation certificate issues | 625,000 | 625,000 | - | | | |
| Transfers-in | 969,803 | 969,803 | - | 292,179 | 270,883 | (21,296) |
| Transfers-out | (1,324,574) | (1,324,574) | - | (22,059) | (22,059) | - |
| **Total other sources (uses) of financial resources** | 270,229 | 270,229 | - | 270,120 | 248,824 | (21,296) |
| **Budgetary funds-nonbudgeted accounts** | | | | | | |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (124,959) | (375) | 124,584 | (70,754) | (13,579) | 57,175 |
| Budgetary fund balances (deficits), July 1, 2002 | 148,830 | 148,830 | - | 24,770 | 24,770 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ 23,871 | $ 148,455 | $ 124,584 | $ (45,984) | $ 11,191 | $ 57,175 |

| Other Code Departments | | | Total | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ 1,671,392 | $ 1,671,392 | $ - |
| | | | 867,384 | 605,113 | (262,271) |
| | | | 108,745 | 310,175 | 201,430 |
| $ 448,162 | $ 436,383 | $ (11,779) | 2,100,952 | 2,121,275 | 20,323 |
| 861,385 | 840,213 | (21,172) | 3,887,972 | 4,199,113 | 311,141 |
| 50 | 27 | (23) | 1,607,134 | 1,602,344 | (4,790) |
| 1,309,497 | 1,276,569 | (32,928) | 7,029,311 | 7,304,724 | 275,413 |
| 487,028 | 451,023 | (36,005) | 3,990,846 | 3,572,509 | (418,337) |
| | | | 1,035 | 1,035 | - |
| 362,004 | 282,698 | (79,306) | 3,626,047 | 3,446,969 | (179,078) |
| | | | 342,478 | 262,771 | (79,707) |
| 86,200 | 45,287 | (40,913) | 86,200 | 45,287 | (40,913) |
| | | | 246,329 | 182,579 | (63,750) |
| | | | 72,463 | 51,162 | (21,301) |
| 383 | 2 | (381) | 4,905 | 720 | (4,185) |
| 935,615 | 779,010 | (156,605) | 8,370,303 | 7,563,032 | (807,271) |
| 373,882 | 497,559 | 123,677 | (1,340,992) | (258,308) | 1,082,684 |
| | | | 825,000 | 825,000 | - |
| 1,500 | 610 | (890) | 1,636,625 | 1,539,296 | (97,329) |
| (540,470) | (540,470) | - | (2,161,125) | (2,161,125) | - |
| (538,970) | (539,860) | (890) | 300,500 | 203,171 | (97,329) |
| | | | (7) | (7) | - |
| (165,088) | (42,301) | 122,787 | (1,040,499) | (55,144) | 985,355 |
| 56,891 | 56,891 | - | 313,317 | 313,317 | - |
| $ (108,197) | $ 14,590 | $ 122,787 | $ (727,182) | $ 258,173 | $ 985,355 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Central Management Services

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Wireless Service Emergency | | | Health Insurance Reserve | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Public utility taxes | $ 33,600 | $ 28,666 | $ (4,934) | | | |
| Federal government | | | | $ 27,640 | $ 181 | $ (27,459) |
| Other | | | | 1,258,255 | 1,289,547 | 31,292 |
| **Total revenues** | 33,600 | 28,666 | (4,934) | 1,285,895 | 1,289,728 | 3,833 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | 40,000 | 28,172 | (11,828) | 1,316,940 | 1,314,748 | (2,192) |
| **Total expenditures** | 40,000 | 28,172 | (11,828) | 1,316,940 | 1,314,748 | (2,192) |
| **Excess (deficiency) of revenues over (under) expenditures** | (6,400) | 494 | 6,894 | (31,045) | (25,020) | 6,025 |
| **OTHER (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-out | (1) | (1) | - | | | |
| **Total other (uses) of financial resources** | (1) | (1) | **-** | | | |
| **Excess (deficiency) of revenues over (under) expenditures and other (uses) of financial resources** | (6,401) | 493 | 6,894 | (31,045) | (25,020) | 6,025 |
| Budgetary fund balances (deficits), July 1, 2002 | 4,646 | 4,646 | **-** | (20,806) | (20,806) | **-** |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (1,755) | $ 5,139 | $ 6,894 | $ (51,851) | $ (45,826) | $ 6,025 |

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| | $ 33,600 | $ 28,666 | $ (4,934) |
| | 27,640 | 181 | (27,459) |
| | 1,258,255 | 1,289,547 | 31,292 |
| | 1,319,495 | 1,318,394 | (1,101) |
| | 1,356,940 | 1,342,920 | (14,020) |
| | 1,356,940 | 1,342,920 | (14,020) |
| | (37,445) | (24,526) | 12,919 |
| | (1) | (1) | - |
| | (1) | (1) | - |
| | (37,446) | (24,527) | 12,919 |
| | (16,160) | (16,160) | - |
| | $ (53,606) | $ (40,687) | $ 12,919 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Commerce and Community Affairs

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Metropolitan Exposition Auditorium and Office Building | | | Supplemental Low Income Energy | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Public utility taxes | | | | $ 75,145 | $ 73,893 | $ (1,252) |
| Other | | | | | | |
| **Total revenues** | | | | 75,145 | 73,893 | (1,252) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 90,127 | 74,536 | (15,591) |
| Education | | | | | | |
| General government | | | | | | |
| Transportation | | | | | | |
| Employment and economic development | | | | | | |
| Environment and business regulation | | | | | | |
| Capital outlays | | | | | | |
| **Total expenditures** | | | | 90,127 | 74,536 | (15,591) |
| **Excess (deficiency) of revenues over (under) expenditures** | | | | (14,982) | (643) | 14,339 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | $ - | $ 37,923 | $ 37,923 | | | |
| Transfers-out | (39,989) | (39,989) | - | (43) | (43) | - |
| **Total other sources (uses) of financial resources** | (39,989) | (2,066) | 37,923 | (43) | (43) | - |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (39,989) | (2,066) | 37,923 | (15,025) | (686) | 14,339 |
| Budgetary fund balances, July 1, 2002 | 19,095 | 19,095 | - | 14,768 | 14,768 | - |
| **BUDGETARY FUND BALANCES (DEFICIT), JUNE 30, 2003** | $ (20,894) | $ 17,029 | $ 37,923 | $ (257) | $ 14,082 | $ 14,339 |

| Fund for Illinois' Future | | | Tourism Promotion | | | Total | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | | | | $ 75,145 | $ 73,893 | $ (1,252) |
| | | | $ - | $ 1 | $ 1 | - | 1 | 1 |
| | | | - | 1 | 1 | 75,145 | 73,894 | (1,251) |
| | | | | | | 90,127 | 74,536 | (15,591) |
| $ 1,035 | $ 1,035 | $ - | | | | 1,035 | 1,035 | - |
| 4,100 | 4,000 | (100) | | | | 4,100 | 4,000 | (100) |
| 1,604 | 368 | (1,236) | | | | 1,604 | 368 | (1,236) |
| 75,976 | 30,908 | (45,068) | 37,928 | 33,607 | (4,321) | 113,904 | 64,515 | (49,389) |
| 10,097 | 2,725 | (7,372) | | | | 10,097 | 2,725 | (7,372) |
| 49 | 49 | - | 97 | 78 | (19) | 146 | 127 | (19) |
| 92,861 | 39,085 | (53,776) | 38,025 | 33,685 | (4,340) | 221,013 | 147,306 | (73,707) |
| (92,861) | (39,085) | 53,776 | (38,025) | (33,684) | 4,341 | (145,868) | (73,412) | 72,456 |
| | | | 34,335 | 36,899 | 2,564 | 34,335 | 74,822 | 40,487 |
| (89) | (89) | - | (21) | (21) | - | (40,142) | (40,142) | - |
| (89) | (89) | - | 34,314 | 36,878 | 2,564 | (5,807) | 34,680 | 40,487 |
| (92,950) | (39,174) | 53,776 | (3,711) | 3,194 | 6,905 | (151,675) | (38,732) | 112,943 |
| 106,236 | 106,236 | - | 8,529 | 8,529 | - | 148,628 | 148,628 | - |
| $ 13,286 | $ 67,062 | $ 53,776 | $ 4,818 | $ 11,723 | $ 6,905 | $ (3,047) | $ 109,896 | $ 112,943 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Natural Resources

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Open Space Lands Acquisition and Development | | | Wildlife and Fish | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | | | | $ 8,338 | $ 6,442 | $ (1,896) |
| Other | $ 20,225 | $ 14,271 | $ (5,954) | 24,671 | 28,748 | 4,077 |
| Less: | | | | | | |
| Refunds | | | | 1,150 | 1,149 | (1) |
| **Total revenues** | 20,225 | 14,271 | (5,954) | 31,859 | 34,041 | 2,182 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | | | | 83 | 83 | - |
| Environment and business regulation | 29,646 | 20,292 | (9,354) | 32,720 | 28,145 | (4,575) |
| Capital outlays | | | | 1,120 | 485 | (635) |
| **Total expenditures** | 29,646 | 20,292 | (9,354) | 33,923 | 28,713 | (5,210) |
| **Excess (deficiency) of revenues over (under) expenditures** | (9,421) | (6,021) | 3,400 | (2,064) | 5,328 | 7,392 |
| **OTHER (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-out | (29,000) | (29,000) | - | (1,400) | (1,400) | - |
| **Total other (uses) of financial resources** | (29,000) | (29,000) | - | (1,400) | (1,400) | - |
| **Excess (deficiency) of revenues over (under) expenditures and other (uses) of financial resources** | (38,421) | (35,021) | 3,400 | (3,464) | 3,928 | 7,392 |
| Budgetary fund balances, July 1, 2002 | 61,366 | 61,366 | - | 5,837 | 5,837 | - |
| **BUDGETARY FUND BALANCES, JUNE 30, 2003** | $ 22,945 | $ 26,345 | $ 3,400 | $ 2,373 | $ 9,765 | $ 7,392 |

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| | $ 8,338 | $ 6,442 | $ (1,896) |
| | 44,896 | 43,019 | (1,877) |
| | 1,150 | 1,149 | (1) |
| | 52,084 | 48,312 | (3,772) |
| | 83 | 83 | - |
| | 62,366 | 48,437 | (13,929) |
| | 1,120 | 485 | (635) |
| | 63,569 | 49,005 | (14,564) |
| | (11,485) | (693) | 10,792 |
| | (30,400) | (30,400) | - |
| | (30,400) | (30,400) | - |
| | (41,885) | (31,093) | 10,792 |
| | 67,203 | 67,203 | - |
| | $ 25,318 | $ 36,110 | $ 10,792 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Human Services

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Alcoholism and Substance Abuse Block Grant | | | Mental Health | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 66,930 | $ 66,762 | $ (168) | | | |
| Other | | | | $ 25,690 | $ 33,442 | $ 7,752 |
| Less: | | | | | | |
| Refunds | | | | 100 | 24 | (76) |
| **Total revenues** | 66,930 | 66,762 | (168) | 25,590 | 33,418 | 7,828 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | 79,089 | 67,368 | (11,721) | 30,936 | 28,713 | (2,223) |
| General government | 20 | 20 | - | | | |
| Capital outlays | 14 | 2 | (12) | | | |
| **Total expenditures** | 79,123 | 67,390 | (11,733) | 30,936 | 28,713 | (2,223) |
| **Excess (deficiency) of revenues over (under) expenditures** | (12,193) | (628) | 11,565 | (5,346) | 4,705 | 10,051 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | - | 1 | 1 | - | 1 | 1 |
| Transfers-out | (4) | (4) | - | (1,291) | (1,291) | - |
| **Total other sources (uses) of financial resources** | (4) | (3) | 1 | (1,291) | (1,290) | 1 |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (12,197) | (631) | 11,566 | (6,637) | 3,415 | 10,052 |
| Budgetary fund balances (deficits), July 1, 2002 | (3,408) | (3,408) | - | 638 | 638 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (15,605) | $ (4,039) | $ 11,566 | $ (5,999) | $ 4,053 | $ 10,052 |

| Community Mental Health Medicaid Trust | | | Total | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ - | $ 64,260 | $ 64,260 | $ 66,930 | $ 131,022 | $ 64,092 |
| - | 35 | 35 | 25,690 | 33,477 | 7,787 |
| | | | 100 | 24 | (76) |
| - | 64,295 | 64,295 | 92,520 | 164,475 | 71,955 |
| 59,690 | 58,378 | (1,312) | 169,715 | 154,459 | (15,256) |
| 546 | 546 | - | 566 | 566 | - |
| | | | 14 | 2 | (12) |
| 60,236 | 58,924 | (1,312) | 170,295 | 155,027 | (15,268) |
| (60,236) | 5,371 | 65,607 | (77,775) | 9,448 | 87,223 |
| | | | - | 2 | 2 |
| | | | (1,295) | (1,295) | - |
| | | | (1,295) | (1,293) | 2 |
| (60,236) | 5,371 | 65,607 | (79,070) | 8,155 | 87,225 |
| (13,496) | (13,496) | - | (16,266) | (16,266) | - |
| $ (73,732) | $ (8,125) | $ 65,607 | $ (95,336) | $ (8,111) | $ 87,225 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Public Aid

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | University of Illinois Hospital Services | | | County Hospital Services | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 98,626 | $ 109,107 | $ 10,481 | $ 735,121 | $ 729,398 | $ (5,723) |
| Other | 70,547 | 77,062 | 6,515 | 744,755 | 737,019 | (7,736) |
| Less: | | | | | | |
| Refunds | | | | 1,000 | - | (1,000) |
| **Total revenues** | 169,173 | 186,169 | 16,996 | 1,478,876 | 1,466,417 | (12,459) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | 173,400 | 170,289 | (3,111) | 1,510,119 | 1,445,094 | (65,025) |
| General government | | | | | | |
| Capital outlays | | | | | | |
| **Total expenditures** | 173,400 | 170,289 | (3,111) | 1,510,119 | 1,445,094 | (65,025) |
| **Excess (deficiency) of revenues over (under) expenditures** | (4,227) | 15,880 | 20,107 | (31,243) | 21,323 | 52,566 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation certificate issues | | | | | | |
| Transfers-in | 44,700 | 44,700 | - | | | |
| Transfers-out | (45,008) | (45,008) | - | | | |
| **Total other sources (uses) of financial resources** | (308) | (308) | - | | | |
| **Budgetary funds-nonbudgeted accounts** | | | | | | |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (4,535) | 15,572 | 20,107 | (31,243) | 21,323 | 52,566 |
| Budgetary fund balances (deficits), July 1, 2002 | (5,050) | (5,050) | - | (15,633) | (15,633) | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (9,585) | $ 10,522 | $ 20,107 | $ (46,876) | $ 5,690 | $ 52,566 |

| Care Provider Fund for Persons with Developmental Disabilities | | | Long Term Care Provider | | | Special Education Medicaid Matching | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ 18,069 | $ 17,323 | $ (746) | $ 257,410 | $ 351,084 | $ 93,674 | $ 220,000 | $ 130,114 | $ (89,886) |
| 18,688 | 19,036 | 348 | 122,062 | 342,932 | 220,870 | | | |
| 1,000 | - | (1,000) | 2,750 | 60 | (2,690) | | | |
| 35,757 | 36,359 | 602 | 376,722 | 693,956 | 317,234 | 220,000 | 130,114 | (89,886) |
| 36,137 | 34,982 | (1,155) | 719,977 | 698,992 | (20,985) | 370,000 | 135,872 | (234,128) |
| 1,068 | 1,068 | - | | | | | | |
| 37,205 | 36,050 | (1,155) | 719,977 | 698,992 | (20,985) | 370,000 | 135,872 | (234,128) |
| (1,448) | 309 | 1,757 | (343,255) | (5,036) | 338,219 | (150,000) | (5,758) | 144,242 |
| | | | 200,000 | 200,000 | - | | | |
| - | 1 | 1 | 160,000 | 15,517 | (144,483) | | | |
| (2) | (2) | - | (157,163) | (157,163) | - | (11) | (11) | - |
| (2) | (1) | 1 | 202,837 | 58,354 | (144,483) | (11) | (11) | - |
| (1,450) | 308 | 1,758 | (140,418) | 53,318 | 193,736 | (150,011) | (5,769) | 144,242 |
| 5,019 | 5,019 | - | (67,361) | (67,361) | - | (15,123) | (15,123) | - |
| $ 3,569 | $ 5,327 | $ 1,758 | $ (207,779) | $ (14,043) | $ 193,736 | $ (165,134) | $ (20,892) | $ 144,242 |

**(continued)**

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Public Aid

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

**(continued)**

| | Drug Rebate Fund | | | Child Support Administrative | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 119,650 | $ 120,271 | $ 621 | $ 101,006 | $ 89,950 | $ (11,056) |
| Other | 150 | 230 | 80 | 42,797 | 38,112 | (4,685) |
| Less: | | | | | | |
| Refunds | | | | | | |
| **Total revenues** | 119,800 | 120,501 | 701 | 143,803 | 128,062 | (15,741) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | 249,300 | 249,032 | (268) | 185,043 | 158,230 | (26,813) |
| General government | | | | 2,249 | 1,650 | (599) |
| Capital outlays | | | | 3,077 | 46 | (3,031) |
| **Total expenditures** | 249,300 | 249,032 | (268) | 190,369 | 159,926 | (30,443) |
| **Excess (deficiency) of revenues over (under) expenditures** | (129,500) | (128,531) | 969 | (46,566) | (31,864) | 14,702 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation certificate issues | | | | | | |
| Transfers-in | 111,650 | 142,958 | 31,308 | 22,458 | 20,000 | (2,458) |
| Transfers-out | | | | | | |
| **Total other sources (uses) of financial resources** | 111,650 | 142,958 | 31,308 | 22,458 | 20,000 | (2,458) |
| **Budgetary funds-nonbudgeted accounts** | | | | (7) | (7) | - |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (17,850) | 14,427 | 32,277 | (24,115) | (11,871) | 12,244 |
| Budgetary fund balances (deficits), July 1, 2002 | (2,431) | (2,431) | - | | | |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (20,281) | $ 11,996 | $ 32,277 | $ (24,115) | $ (11,871) | $ 12,244 |

| | Total | |
|---|---|---|
| Final Budget | Actual | Variance Over (Under) |
| $ 1,549,882 | $ 1,547,247 | $ (2,635) |
| 998,999 | 1,214,391 | 215,392 |
| 4,750 | 60 | (4,690) |
| 2,544,131 | 2,761,578 | 217,447 |
| 3,243,976 | 2,892,491 | (351,485) |
| 3,317 | 2,718 | (599) |
| 3,077 | 46 | (3,031) |
| 3,250,370 | 2,895,255 | (355,115) |
| (706,239) | (133,677) | 572,562 |
| 200,000 | 200,000 | - |
| 338,808 | 223,176 | (115,632) |
| (202,184) | (202,184) | - |
| 336,624 | 220,992 | (115,632) |
| (7) | (7) | - |
| (369,622) | 87,308 | 456,930 |
| (100,579) | (100,579) | - |
| $ (470,201) | $ (13,271) | $ 456,930 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | State Gaming | | | State and Local Sales Tax Reform | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Income taxes | | | | | | |
| Sales taxes | | | | $ 215,250 | $ 153,024 | $ (62,226) |
| Public utility taxes | | | | | | |
| Other | $ 586,500 | $ 670,477 | $ 83,977 | | | |
| Less: | | | | | | |
| Refunds | | | | | | |
| **Total revenues** | 586,500 | 670,477 | 83,977 | 215,250 | 153,024 | (62,226) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | 125,290 | 124,684 | (606) | 48,343 | 35,096 | (13,247) |
| Employment and economic development | | | | | | |
| Capital outlays | 67 | 2 | (65) | | | |
| **Total expenditures** | 125,357 | 124,686 | (671) | 48,343 | 35,096 | (13,247) |
| **Excess (deficiency) of revenues over (under) expenditures** | 461,143 | 545,791 | 84,648 | 166,907 | 117,928 | (48,979) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation certificate issues | | | | | | |
| Transfers-in | | | | | | |
| Transfers-out | (553,502) | (553,502) | - | (140,129) | (140,129) | - |
| **Total other sources (uses) of financial resources** | (553,502) | (553,502) | - | (140,129) | (140,129) | - |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (92,359) | (7,711) | 84,648 | 26,778 | (22,201) | (48,979) |
| Budgetary fund balances (deficits), July 1, 2002 | 4,173 | 4,173 | - | 36,451 | 36,451 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (88,186) | $ (3,538) | $ 84,648 | $ 63,229 | $ 14,250 | $ (48,979) |

| Illinois Sports Facilities | | | Income Tax Refund | | | McCormick Place Expansion Project | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ 1,116,658 | $ 1,116,658 | $ - | | | |
| | | | | | | $ 89,000 | $ 96,571 | $ 7,571 |
| $ 33,425 | $ 29,166 | $ (4,259) | | | | | | |
| | | | 1,601,084 | 1,601,084 | - | | | |
| 33,425 | 29,166 | (4,259) | (484,426) | (484,426) | - | 89,000 | 96,571 | 7,571 |
| | | | | | | | | |
| 33,425 | 29,166 | (4,259) | | | | 99,000 | 88,898 | (10,102) |
| 33,425 | 29,166 | (4,259) | | | | 99,000 | 88,898 | (10,102) |
| - | - | - | (484,426) | (484,426) | - | (10,000) | 7,673 | 17,673 |
| | | | 625,000 | 625,000 | - | | | |
| | | | 35,131 | 35,131 | - | | | |
| | | | (150,016) | (150,016) | - | (7,673) | (7,673) | - |
| | | | 510,115 | 510,115 | - | (7,673) | (7,673) | - |
| - | - | - | 25,689 | 25,689 | - | (17,673) | - | 17,673 |
| | | | 943 | 943 | - | | | |
| $ - | $ - | $ - | $ 26,632 | $ 26,632 | $ - | $ (17,673) | $ - | $ 17,673 |

**(continued)**

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

**(continued)**

| | Local Government Distributive | | | Personal Property Tax Replacement | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Income taxes | | | | $ 554,734 | $ 554,734 | $ - |
| Sales taxes | | | | 207,616 | - | (207,616) |
| Public utility taxes | | | | - | 207,616 | 207,616 |
| Other | | | | 714 | 714 | - |
| Less: | | | | | | |
| Refunds | | | | | | |
| **Total revenues** | | | | 763,064 | 763,064 | - |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | $ 963,411 | $ 893,202 | $ (70,209) | 761,993 | 761,002 | (991) |
| Employment and economic development | | | | | | |
| Capital outlays | | | | 98 | 56 | (42) |
| **Total expenditures** | 963,411 | 893,202 | (70,209) | 762,091 | 761,058 | (1,033) |
| **Excess (deficiency) of revenues over (under) expenditures** | (963,411) | (893,202) | 70,209 | 973 | 2,006 | 1,033 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation certificate issues | | | | | | |
| Transfers-in | 893,553 | 893,553 | - | 1,653 | 1,653 | - |
| Transfers-out | (16) | (16) | - | (146) | (146) | - |
| **Total other sources (uses) of financial resources** | 893,537 | 893,537 | - | 1,507 | 1,507 | - |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (69,874) | 335 | 70,209 | 2,480 | 3,513 | 1,033 |
| Budgetary fund balances (deficits), July 1, 2002 | (13,357) | (13,357) | - | 120,620 | 120,620 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (83,231) | $ (13,022) | $ 70,209 | $ 123,100 | $ 124,133 | $ 1,033 |

| Build Illinois | | | Total | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ 1,671,392 | $ 1,671,392 | $ - |
| $ 355,518 | $ 355,518 | $ - | 867,384 | 605,113 | (262,271) |
| | | | - | 207,616 | 207,616 |
| 78,108 | 78,108 | - | 698,747 | 778,465 | 79,718 |
| | | | 1,601,084 | 1,601,084 | - |
| 433,626 | 433,626 | - | 1,636,439 | 1,661,502 | 25,063 |
| | | | | | |
| | | | 1,899,037 | 1,813,984 | (85,053) |
| | | | 132,425 | 118,064 | (14,361) |
| | | | 165 | 58 | (107) |
| | | | 2,031,627 | 1,932,106 | (99,521) |
| | | | | | |
| 433,626 | 433,626 | - | (395,188) | (270,604) | 124,584 |
| | | | | | |
| | | | 625,000 | 625,000 | - |
| 39,466 | 39,466 | - | 969,803 | 969,803 | - |
| (473,092) | (473,092) | - | (1,324,574) | (1,324,574) | - |
| (433,626) | (433,626) | - | 270,229 | 270,229 | - |
| | | | | | |
| - | - | - | (124,959) | (375) | 124,584 |
| | | | 148,830 | 148,830 | - |
| $ - | $ - | $ - | $ 23,871 | $ 148,455 | $ 124,584 |

*State of Illinois*

## Combining Schedule of Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
## Special State Funds - Department of Transportation

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Public Transportation | | | Downstate Public Transportation | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Transportation | $ 295,000 | $ 225,285 | $ (69,715) | $ 45,874 | $ 37,118 | $ (8,756) |
| **Total expenditures** | 295,000 | 225,285 | (69,715) | 45,874 | 37,118 | (8,756) |
| **Excess (deficiency) of revenues over (under) expenditures** | (295,000) | (225,285) | 69,715 | (45,874) | (37,118) | 8,756 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | 246,529 | 225,309 | (21,220) | 45,650 | 45,574 | (76) |
| Transfers-out | (24) | (24) | - | (22,035) | (22,035) | - |
| **Total other sources (uses) of financial resources** | 246,505 | 225,285 | (21,220) | 23,615 | 23,539 | (76) |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (48,495) | - | 48,495 | (22,259) | (13,579) | 8,680 |
| Budgetary fund balances, July 1, 2002 | | | | 24,770 | 24,770 | - |
| **BUDGETARY FUND BALANCES (DEFICIT), JUNE 30, 2003** | $ (48,495) | $ - | $ 48,495 | $ 2,511 | $ 11,191 | $ 8,680 |

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| | $ 340,874 | $ 262,403 | $ (78,471) |
| | 340,874 | 262,403 | (78,471) |
| | (340,874) | (262,403) | 78,471 |
| | 292,179 | 270,883 | (21,296) |
| | (22,059) | (22,059) | - |
| | 270,120 | 248,824 | (21,296) |
| | (70,754) | (13,579) | 57,175 |
| | 24,770 | 24,770 | - |
| | $ (45,984) | $ 11,191 | $ 57,175 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Other Code Departments

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Children and Family Services | | | Corrections | | |
|---|---|---|---|---|---|---|
| | DCFS Children's Services | | | Corrections Reimbursements | | |
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 426,172 | $ 414,830 | $ (11,342) | $ 21,990 | $ 21,553 | $ (437) |
| Other | 3,000 | 2,933 | (67) | 18,385 | 17,903 | (482) |
| Less: | | | | | | |
| Refunds | | | | | | |
| **Total revenues** | 429,172 | 417,763 | (11,409) | 40,375 | 39,456 | (919) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | 487,028 | 451,023 | (36,005) | | | |
| General government | 1,500 | 1,119 | (381) | | | |
| Public protection and justice | | | | 86,200 | 45,287 | (40,913) |
| Capital outlays | | | | | | |
| **Total expenditures** | 488,528 | 452,142 | (36,386) | 86,200 | 45,287 | (40,913) |
| **Excess (deficiency) of revenues over (under) expenditures** | (59,356) | (34,379) | 24,977 | (45,825) | (5,831) | 39,994 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | | | | | | |
| Transfers-out | (80) | (80) | - | (38) | (38) | - |
| **Total other sources (uses) of financial resources** | (80) | (80) | - | (38) | (38) | - |
| **(Deficiency) of revenues (under) expenditures and sources (uses) of financial resources** | (59,436) | (34,459) | 24,977 | (45,863) | (5,869) | 39,994 |
| Budgetary fund balances (deficits), July 1, 2002 | 29,949 | 29,949 | - | 31,845 | 31,845 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (29,487) | $ (4,510) | $ 24,977 | $ (14,018) | $ 25,976 | $ 39,994 |

| Lottery | | | | | |
|---|---|---|---|---|---|
| State Lottery | | | Total | | |
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ 448,162 | $ 436,383 | $ (11,779) |
| $ 840,000 | $ 819,377 | $ (20,623) | 861,385 | 840,213 | (21,172) |
| 50 | 27 | (23) | 50 | 27 | (23) |
| 839,950 | 819,350 | (20,600) | 1,309,497 | 1,276,569 | (32,928) |
| | | | 487,028 | 451,023 | (36,005) |
| 360,504 | 281,579 | (78,925) | 362,004 | 282,698 | (79,306) |
| | | | 86,200 | 45,287 | (40,913) |
| 383 | 2 | (381) | 383 | 2 | (381) |
| 360,887 | 281,581 | (79,306) | 935,615 | 779,010 | (156,605) |
| 479,063 | 537,769 | 58,706 | 373,882 | 497,559 | 123,677 |
| 1,500 | 610 | (890) | 1,500 | 610 | (890) |
| (540,352) | (540,352) | - | (540,470) | (540,470) | - |
| (538,852) | (539,742) | (890) | (538,970) | (539,860) | (890) |
| (59,789) | (1,973) | 57,816 | (165,088) | (42,301) | 122,787 |
| (4,903) | (4,903) | - | 56,891 | 56,891 | - |
| $ (64,692) | $ (6,876) | $ 57,816 | $ (108,197) | $ 14,590 | $ 122,787 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Agencies, Boards and Commissions

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Environmental Protection Agency | | | Other Agencies, Boards, and Commissions | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Motor fuel taxes | $ 69,380 | $ 66,286 | $ (3,094) | | | |
| Public utility taxes | | | | $ 102,446 | $ 89,715 | $ (12,731) |
| Federal government | 94,601 | 116,346 | 21,745 | | | |
| Other | 101,625 | 119,597 | 17,972 | 57,229 | 63,312 | 6,083 |
| Less: | | | | | | |
| Refunds | 222 | 7 | (215) | | | |
| **Total revenues** | 265,384 | 302,222 | 36,838 | 159,675 | 153,027 | (6,648) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Education | | | | 10,847 | 10,803 | (44) |
| General government | 3,798 | 3,344 | (454) | 62,755 | 35,965 | (26,790) |
| Public protection and justice | 3,450 | 2,987 | (463) | | | |
| Employment and economic development | | | | 31,597 | 31,045 | (552) |
| Environment and business regulation | 585,824 | 368,149 | (217,675) | | | |
| Capital outlays | 438 | 252 | (186) | | | |
| **Total expenditures** | 593,510 | 374,732 | (218,778) | 105,199 | 77,813 | (27,386) |
| **Excess (deficiency) of revenues over (under) expenditures** | (328,126) | (72,510) | 255,616 | 54,476 | 75,214 | 20,738 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | 32,000 | 32,000 | - | 31,597 | 31,051 | (546) |
| Transfers-out | (26,056) | (26,056) | - | (138,161) | (138,161) | - |
| **Total other sources (uses) of financial resources** | 5,944 | 5,944 | - | (106,564) | (107,110) | (546) |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (322,182) | (66,566) | 255,616 | (52,088) | (31,896) | 20,192 |
| Budgetary fund balances, July 1, 2002 | 416,030 | 416,030 | - | 58,797 | 58,797 | - |
| **BUDGETARY FUND BALANCES, JUNE 30, 2003** | $ 93,848 | $ 349,464 | $ 255,616 | $ 6,709 | $ 26,901 | $ 20,192 |

| | Total | |
|---|---|---|
| Final Budget | Actual | Variance Over (Under) |
| $ 69,380 | $ 66,286 | $ (3,094) |
| 102,446 | 89,715 | (12,731) |
| 94,601 | 116,346 | 21,745 |
| 158,854 | 182,909 | 24,055 |
| 222 | 7 | (215) |
| 425,059 | 455,249 | 30,190 |
| | | |
| 10,847 | 10,803 | (44) |
| 66,553 | 39,309 | (27,244) |
| 3,450 | 2,987 | (463) |
| 31,597 | 31,045 | (552) |
| 585,824 | 368,149 | (217,675) |
| 438 | 252 | (186) |
| 698,709 | 452,545 | (246,164) |
| | | |
| (273,650) | 2,704 | 276,354 |
| | | |
| 63,597 | 63,051 | (546) |
| (164,217) | (164,217) | - |
| (100,620) | (101,166) | (546) |
| | | |
| (374,270) | (98,462) | 275,808 |
| | | |
| 474,827 | 474,827 | - |
| | | |
| $ 100,557 | $ 376,365 | $ 275,808 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Environmental Protection Agency

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Underground Storage Tank | | | Water Revolving | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Motor fuel taxes | $ 69,380 | $ 66,286 | $ (3,094) | | | |
| Federal government | | | | $ 94,601 | $ 104,110 | $ 9,509 |
| Other | - | 131 | 131 | 78,673 | 90,351 | 11,678 |
| Less: | | | | | | |
| Refunds | 222 | 7 | (215) | | | |
| **Total revenues** | 69,158 | 66,410 | (2,748) | 173,274 | 194,461 | 21,187 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | 889 | 742 | (147) | 2 | 2 | - |
| Public protection and justice | 3,450 | 2,987 | (463) | | | |
| Environment and business regulation | 81,313 | 75,141 | (6,172) | 408,432 | 210,777 | (197,655) |
| Capital outlays | 197 | 139 | (58) | | | |
| **Total expenditures** | 85,849 | 79,009 | (6,840) | 408,434 | 210,779 | (197,655) |
| **Excess (deficiency) of revenues over (under) expenditures** | (16,691) | (12,599) | 4,092 | (235,160) | (16,318) | 218,842 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | | | | | | |
| Transfers-out | (26,022) | (26,022) | - | | | |
| **Total other sources (uses) of financial resources** | (26,022) | (26,022) | - | | | |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (42,713) | (38,621) | 4,092 | (235,160) | (16,318) | 218,842 |
| Budgetary fund balances, July 1, 2002 | 64,662 | 64,662 | - | 308,174 | 308,174 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ 21,949 | $ 26,041 | $ 4,092 | $ 73,014 | $ 291,856 | $ 218,842 |

| Hazardous Waste | | | Vehicle Inspection | | | Total | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | | | | $ 69,380 | $ 66,286 | $ (3,094) |
| | | | $ - | $ 12,236 | $ 12,236 | 94,601 | 116,346 | 21,745 |
| $ 20,424 | $ 28,856 | $ 8,432 | 2,528 | 259 | (2,269) | 101,625 | 119,597 | 17,972 |
| | | | | | | 222 | 7 | (215) |
| 20,424 | 28,856 | 8,432 | 2,528 | 12,495 | 9,967 | 265,384 | 302,222 | 36,838 |
| | | | | | | | | |
| 9 | 9 | - | 2,898 | 2,591 | (307) | 3,798 | 3,344 | (454) |
| | | | | | | 3,450 | 2,987 | (463) |
| 34,808 | 22,982 | (11,826) | 61,271 | 59,249 | (2,022) | 585,824 | 368,149 | (217,675) |
| 140 | 71 | (69) | 101 | 42 | (59) | 438 | 252 | (186) |
| 34,957 | 23,062 | (11,895) | 64,270 | 61,882 | (2,388) | 593,510 | 374,732 | (218,778) |
| | | | | | | | | |
| (14,533) | 5,794 | 20,327 | (61,742) | (49,387) | 12,355 | (328,126) | (72,510) | 255,616 |
| | | | | | | | | |
| 2,000 | 2,000 | - | 30,000 | 30,000 | - | 32,000 | 32,000 | - |
| (7) | (7) | - | (27) | (27) | - | (26,056) | (26,056) | - |
| 1,993 | 1,993 | - | 29,973 | 29,973 | - | 5,944 | 5,944 | - |
| | | | | | | | | |
| (12,540) | 7,787 | 20,327 | (31,769) | (19,414) | 12,355 | (322,182) | (66,566) | 255,616 |
| 21,881 | 21,881 | - | 21,313 | 21,313 | - | 416,030 | 416,030 | - |
| $ 9,341 | $ 29,668 | $ 20,327 | $ (10,456) | $ 1,899 | $ 12,355 | $ 93,848 | $ 349,464 | $ 255,616 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Other Agencies, Boards and Commissions

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Housing Development Authority | | | Capital Development Board | | |
|---|---|---|---|---|---|---|
| | Illinois Affordable Housing | | | School Infrastructure | | |
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Public utility taxes | | | | $ 102,446 | $ 89,715 | $ (12,731) |
| Other | $ 40,100 | $ 48,312 | $ 8,212 | 17,129 | 15,000 | (2,129) |
| **Total revenues** | 40,100 | 48,312 | 8,212 | 119,575 | 104,715 | (14,860) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Education | | | | 10,847 | 10,803 | (44) |
| General government | 62,150 | 35,423 | (26,727) | 605 | 542 | (63) |
| Employment and economic development | | | | | | |
| **Total expenditures** | 62,150 | 35,423 | (26,727) | 11,452 | 11,345 | (107) |
| **Excess (deficiency) of revenues over (under) expenditures** | (22,050) | 12,889 | 34,939 | 108,123 | 93,370 | (14,753) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | | | | - | 1 | 1 |
| Transfers-out | (1) | (1) | - | (138,160) | (138,160) | - |
| **Total other sources (uses) of financial resources** | (1) | (1) | - | (138,160) | (138,159) | 1 |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (22,051) | 12,888 | 34,939 | (30,037) | (44,789) | (14,752) |
| Budgetary fund balances, July 1, 2002 | 14,076 | 14,076 | - | 44,721 | 44,721 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (7,975) | $ 26,964 | $ 34,939 | $ 14,684 | $ (68) | $ (14,752) |

| Metropolitan Pier and Exposition Authority | | | | | |
|---|---|---|---|---|---|
| Metropolitan Fair and Exposition Authority Improvement Bond | | | Total | | |
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ 102,446 | $ 89,715 | $ (12,731) |
| | | | 57,229 | 63,312 | 6,083 |
| | | | 159,675 | 153,027 | (6,648) |
| | | | 10,847 | 10,803 | (44) |
| | | | 62,755 | 35,965 | (26,790) |
| $ 31,597 | $ 31,045 | $ (552) | 31,597 | 31,045 | (552) |
| 31,597 | 31,045 | (552) | 105,199 | 77,813 | (27,386) |
| (31,597) | (31,045) | 552 | 54,476 | 75,214 | 20,738 |
| 31,597 | 31,050 | (547) | 31,597 | 31,051 | (546) |
| | | | (138,161) | (138,161) | - |
| 31,597 | 31,050 | (547) | (106,564) | (107,110) | (546) |
| - | 5 | 5 | (52,088) | (31,896) | 20,192 |
| - | - | - | 58,797 | 58,797 | - |
| $ - | $ 5 | $ 5 | $ 6,709 | $ 26,901 | $ 20,192 |

*State of Illinois*

## Combining Schedule of Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
## Bond Financed Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Commerce and Community Affairs Build Illinois Bond | | | Transportation | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Education | $ 21,110 | $ 6,110 | $ (15,000) | | | |
| General government | 2,868 | 14,178 | 11,310 | | | |
| Transportation | 5,183 | 2,623 | (2,560) | $ 525,002 | $ 525,002 | $ - |
| Public protection and justice | | | | | | |
| Employment and economic development | 281,300 | 278,347 | (2,953) | | | |
| Environment and business regulation | 43,695 | 31,677 | (12,018) | | | |
| Debt service: | | | | | | |
| Principal | 138,351 | 138,351 | - | | | |
| Capital outlays | 17,129 | 17,120 | (9) | | | |
| **Total expenditures** | 509,636 | 488,406 | (21,230) | 525,002 | 525,002 | - |
| **Excess (deficiency) of revenues over (under) expenditures** | (509,636) | (488,406) | 21,230 | (525,002) | (525,002) | - |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general and special obligation bond issues | 200,000 | 331,668 | 131,668 | 550,000 | 549,953 | (47) |
| Transfers-in | | | | | | |
| Transfers-out | | | | | | |
| **Total other sources (uses) of financial resources** | 200,000 | 331,668 | 131,668 | 550,000 | 549,953 | (47) |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (309,636) | (156,738) | 152,898 | 24,998 | 24,951 | (47) |
| Budgetary fund balances, July 1, 2002 | 116,725 | 116,725 | - | 85,657 | 85,657 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (192,911) | $ (40,013) | $ 152,898 | $ 110,655 | $ 110,608 | $ (47) |

| Capital Development Board | | | Other | | | Total | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ 665,637 | $ 338,987 | $ (326,650) | | | | $ 686,747 | $ 345,097 | $ (341,650) |
| (33,126) | 292,612 | 325,738 | | | | (30,258) | 306,790 | 337,048 |
| 3,537 | 843 | (2,694) | | | | 533,722 | 528,468 | (5,254) |
| 44 | - | (44) | | | | 44 | - | (44) |
| 62,075 | 60,435 | (1,640) | $ 1,150 | $ 977 | $ (173) | 344,525 | 339,759 | (4,766) |
| 40,828 | 30,643 | (10,185) | 21,000 | 21,000 | - | 105,523 | 83,320 | (22,203) |
| | | | | | | 138,351 | 138,351 | - |
| 555,998 | 435,781 | (120,217) | 1,200 | 1,200 | - | 574,327 | 454,101 | (120,226) |
| 1,294,993 | 1,159,301 | (135,692) | 23,350 | 23,177 | (173) | 2,352,981 | 2,195,886 | (157,095) |
| (1,294,993) | (1,159,301) | 135,692 | (23,350) | (23,177) | 173 | (2,352,981) | (2,195,886) | 157,095 |
| 1,122,000 | 1,211,098 | 89,098 | 28,000 | 47,136 | 19,136 | 1,900,000 | 2,139,855 | 239,855 |
| - | 5,000 | 5,000 | | | | - | 5,000 | 5,000 |
| | | | (5,000) | (5,000) | - | (5,000) | (5,000) | - |
| 1,122,000 | 1,216,098 | 94,098 | 23,000 | 42,136 | 19,136 | 1,895,000 | 2,139,855 | 244,855 |
| (172,993) | 56,797 | 229,790 | (350) | 18,959 | 19,309 | (457,981) | (56,031) | 401,950 |
| 58,238 | 58,238 | - | 4,756 | 4,756 | - | 265,376 | 265,376 | - |
| $ (114,755) | $ 115,035 | $ 229,790 | $ 4,406 | $ 23,715 | $ 19,309 | $ (192,605) | $ 209,345 | $ 401,950 |

*State of Illinois*

## Combining Schedule of Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
## Bond Financed Funds - Department of Transportation

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Transportation Bond Series A | | | Transportation Bond Series B | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Transportation | $ 386,573 | $ 386,573 | $ - | $ 138,429 | $ 138,429 | $ - |
| **Total expenditures** | 386,573 | 386,573 | - | 138,429 | 138,429 | - |
| **Excess (deficiency) of revenues over (under) expenditures** | (386,573) | (386,573) | - | (138,429) | (138,429) | - |
| **OTHER SOURCES OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation bond issues | 375,000 | 412,663 | 37,663 | 175,000 | 137,290 | (37,710) |
| **Total other sources of financial resources** | 375,000 | 412,663 | 37,663 | 175,000 | 137,290 | (37,710) |
| **Excess (deficiency) of revenues over (under) expenditures and other sources of financial resources** | (11,573) | 26,090 | 37,663 | 36,571 | (1,139) | (37,710) |
| Budgetary fund balances, July 1, 2002 | 43,617 | 43,617 | - | 42,040 | 42,040 | - |
| **BUDGETARY FUND BALANCES, JUNE 30, 2003** | $ 32,044 | $ 69,707 | $ 37,663 | $ 78,611 | $ 40,901 | $ (37,710) |

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| | | | |
| | $ 525,002 | $ 525,002 | $ - |
| | 525,002 | 525,002 | - |
| | | | |
| | (525,002) | (525,002) | - |
| | | | |
| | 550,000 | 549,953 | (47) |
| | 550,000 | 549,953 | (47) |
| | | | |
| | 24,998 | 24,951 | (47) |
| | 85,657 | 85,657 | - |
| | $ 110,655 | $ 110,608 | $ (47) |

*State of Illinois*

## Combining Schedule of Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
## Bond Financed Funds - Capital Development Board

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Capital Development | | | School Construction | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Education | $ 47,918 | $ 47,812 | $ (106) | $ 617,719 | $ 291,175 | $ (326,544) |
| General government | 16,242 | 15,437 | (805) | (49,368) | 277,175 | 326,543 |
| Transportation | 3,537 | 843 | (2,694) | | | |
| Public protection and justice | 44 | - | (44) | | | |
| Employment and economic development | 62,075 | 60,435 | (1,640) | | | |
| Environment and business regulation | 40,828 | 30,643 | (10,185) | | | |
| Capital outlays | 555,998 | 435,781 | (120,217) | | | |
| **Total expenditures** | 726,642 | 590,951 | (135,691) | 568,351 | 568,350 | (1) |
| **Excess (deficiency) of revenues over (under) expenditures** | (726,642) | (590,951) | 135,691 | (568,351) | (568,350) | 1 |
| **OTHER SOURCES OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general obligation bond issues | 625,000 | 584,008 | (40,992) | 497,000 | 627,090 | 130,090 |
| Transfers-in | - | 5,000 | 5,000 | | | |
| **Total other sources of financial resources** | 625,000 | 589,008 | (35,992) | 497,000 | 627,090 | 130,090 |
| **Excess (deficiency) of revenues (under) expenditures and other sources of financial resources** | (101,642) | (1,943) | 99,699 | (71,351) | 58,740 | 130,091 |
| Budgetary fund balances, July 1, 2002 | 57,657 | 57,657 | - | 581 | 581 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (43,985) | $ 55,714 | $ 99,699 | $ (70,770) | $ 59,321 | $ 130,091 |

| | Total | |
|---|---|---|
| Final Budget | Actual | Variance Over (Under) |
| $ 665,637 | $ 338,987 | $ (326,650) |
| (33,126) | 292,612 | 325,738 |
| 3,537 | 843 | (2,694) |
| 44 | - | (44) |
| 62,075 | 60,435 | (1,640) |
| 40,828 | 30,643 | (10,185) |
| 555,998 | 435,781 | (120,217) |
| 1,294,993 | 1,159,301 | (135,692) |
| (1,294,993) | (1,159,301) | 135,692 |
| 1,122,000 | 1,211,098 | 89,098 |
| - | 5,000 | 5,000 |
| 1,122,000 | 1,216,098 | 94,098 |
| (172,993) | 56,797 | 229,790 |
| 58,238 | 58,238 | - |
| $ (114,755) | $ 115,035 | $ 229,790 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Debt Service Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Build Illinois Bond, Retirement and Interest | | | General Obligations Bond, Retirement and Interest | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | | | | $ 150 | $ - | $ (150) |
| Other | $ 100 | $ 72 | $ (28) | 23,266 | 37,816 | 14,550 |
| **Total revenues** | 100 | 72 | (28) | 23,416 | 37,816 | 14,400 |
| **EXPENDITURES:** | | | | | | |
| Debt service: | | | | | | |
| Principal | 262,000 | 243,418 | (18,582) | 2,139,197 | 2,139,197 | - |
| Interest | | | | 481,758 | 474,939 | (6,819) |
| **Total expenditures** | 262,000 | 243,418 | (18,582) | 2,620,955 | 2,614,136 | (6,819) |
| **Excess (deficiency) of revenues over (under) expenditures** | (261,900) | (243,346) | 18,554 | (2,597,539) | (2,576,320) | 21,219 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Proceeds from general and special obligation bond and certificate issues | | | | 1,100,017 | 1,100,017 | - |
| Transfers-in | 262,100 | 243,418 | (18,682) | 2,048,654 | 2,038,130 | (10,524) |
| Transfers-out | | | | (445) | (445) | - |
| **Total other sources (uses) of financial resources** | 262,100 | 243,418 | (18,682) | 3,148,226 | 3,137,702 | (10,524) |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | 200 | 72 | (128) | 550,687 | 561,382 | 10,695 |
| Budgetary fund balances, July 1, 2002 | 2,118 | 2,118 | - | 476,156 | 476,156 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ 2,318 | $ 2,190 | $ (128) | $ 1,026,843 | $ 1,037,538 | $ 10,695 |

| Other | | | Total | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ 150 | $ - | $ (150) |
| $ 500 | $ 199 | $ (301) | 23,866 | 38,087 | 14,221 |
| 500 | 199 | (301) | 24,016 | 38,087 | 14,071 |
| 14,919 | 12,995 | (1,924) | 2,416,116 | 2,395,610 | (20,506) |
| | | | 481,758 | 474,939 | (6,819) |
| 14,919 | 12,995 | (1,924) | 2,897,874 | 2,870,549 | (27,325) |
| (14,419) | (12,796) | 1,623 | (2,873,858) | (2,832,462) | 41,396 |
| | | | 1,100,017 | 1,100,017 | - |
| 12,822 | 13,988 | 1,166 | 2,323,576 | 2,295,536 | (28,040) |
| | | | (445) | (445) | - |
| 12,822 | 13,988 | 1,166 | 3,423,148 | 3,395,108 | (28,040) |
| (1,597) | 1,192 | 2,789 | 549,290 | 562,646 | 13,356 |
| 9,077 | 9,077 | - | 487,351 | 487,351 | - |
| $ 7,480 | $ 10,269 | $ 2,789 | $ 1,036,641 | $ 1,049,997 | $ 13,356 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Code Departments | | | Agencies, Boards & Commissions | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 1,035,787 | $ 1,303,165 | $ 267,378 | $ 1,425,542 | $ 1,686,849 | $ 261,307 |
| Other | 99,649 | 79,183 | (20,466) | 448 | 96 | (352) |
| Less: | | | | | | |
| Refunds | 2,300 | 72 | (2,228) | | | |
| **Total revenues** | 1,133,136 | 1,382,276 | 249,140 | 1,425,990 | 1,686,945 | 260,955 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | 1,077,742 | 807,855 | (269,887) | | | |
| Education | | | | 1,932,443 | 1,526,579 | (405,864) |
| General government | 1,161 | 1,120 | (41) | 305 | 305 | - |
| Transportation | 208,967 | 108,967 | (100,000) | | | |
| Public protection and justice | | | | 100,239 | 56,751 | (43,488) |
| Employment and economic development | 813,440 | 445,773 | (367,667) | | | |
| Environment and business regulation | | | | 53,482 | 37,376 | (16,106) |
| Capital outlays | 10,349 | 2,397 | (7,952) | 1,768 | 777 | (991) |
| **Total expenditures** | 2,111,659 | 1,366,112 | (745,547) | 2,088,237 | 1,621,788 | (466,449) |
| **Excess (deficiency) of revenues over (under) expenditures** | (978,523) | 16,164 | 994,687 | (662,247) | 65,157 | 727,404 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | - | 18,031 | 18,031 | | | |
| Transfers-out | (454) | (454) | - | (17,707) | (17,707) | - |
| **Total other sources (uses) of financial resources** | (454) | 17,577 | 18,031 | (17,707) | (17,707) | - |
| **Budgetary funds-nonbudgeted accounts** | (5,285) | (5,285) | - | (979) | (979) | - |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (984,262) | 28,456 | 1,012,718 | (680,933) | 46,471 | 727,404 |
| Budgetary fund balances (deficits), July 1, 2002 | (9,483) | (9,483) | - | (130,419) | (130,419) | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (993,745) | $ 18,973 | $ 1,012,718 | $ (811,352) | $ (83,948) | $ 727,404 |

| Higher Education | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Illinois Student Assistance Commission | | | Other | | | Total | | | |
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ 98,500 | $ 73,107 | $ (25,393) | $ 282,399 | $ 240,142 | $ (42,257) | $ 2,842,228 | $ 3,303,263 | $ 461,035 |
| 35,500 | 89,682 | 54,182 | 17,801 | 13,187 | (4,614) | 153,398 | 182,148 | 28,750 |
| | | | 990 | - | (990) | 3,290 | 72 | (3,218) |
| 134,000 | 162,789 | 28,789 | 299,210 | 253,329 | (45,881) | 2,992,336 | 3,485,339 | 493,003 |
| | | | 226,395 | 102,535 | (123,860) | 1,304,137 | 910,390 | (393,747) |
| 265,132 | 166,227 | (98,905) | 61,903 | 32,781 | (29,122) | 2,259,478 | 1,725,587 | (533,891) |
| 11 | 11 | - | 13,332 | 9,123 | (4,209) | 14,809 | 10,559 | (4,250) |
| | | | 19,410 | 19,410 | - | 228,377 | 128,377 | (100,000) |
| | | | 223,793 | 49,496 | (174,297) | 324,032 | 106,247 | (217,785) |
| | | | 65,969 | 34,285 | (31,684) | 879,409 | 480,058 | (399,351) |
| | | | 30,424 | 20,310 | (10,114) | 83,906 | 57,686 | (26,220) |
| 525 | 154 | (371) | 1,507 | 522 | (985) | 14,149 | 3,850 | (10,299) |
| 265,668 | 166,392 | (99,276) | 642,733 | 268,462 | (374,271) | 5,108,297 | 3,422,754 | (1,685,543) |
| (131,668) | (3,603) | 128,065 | (343,523) | (15,133) | 328,390 | (2,115,961) | 62,585 | 2,178,546 |
| | | | 1,284 | 453 | (831) | 1,284 | 18,484 | 17,200 |
| (39) | (39) | - | (299) | (299) | - | (18,499) | (18,499) | - |
| (39) | (39) | - | 985 | 154 | (831) | (17,215) | (15) | 17,200 |
| | | | (1,811) | (1,811) | - | (8,075) | (8,075) | - |
| (131,707) | (3,642) | 128,065 | (344,349) | (16,790) | 327,559 | (2,141,251) | 54,495 | 2,195,746 |
| 64,560 | 64,560 | - | 36,368 | 36,368 | - | (38,974) | (38,974) | - |
| $ (67,147) | $ 60,918 | $ 128,065 | $ (307,981) | $ 19,578 | $ 327,559 | $ (2,180,225) | $ 15,521 | $ 2,195,746 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Code Departments

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Commerce and Community Affairs | | | Human Services | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 147,649 | $ 180,293 | $ 32,644 | $ 432,757 | $ 513,413 | $ 80,656 |
| Other | 170 | 43 | (127) | 58,794 | 58,873 | 79 |
| Less: | | | | | | |
| Refunds | 1,070 | 54 | (1,016) | 205 | - | (205) |
| **Total revenues** | 146,749 | 180,282 | 33,533 | 491,346 | 572,286 | 80,940 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | 200,000 | 104,196 | (95,804) | 691,436 | 556,397 | (135,039) |
| General government | | | | 271 | 270 | (1) |
| Transportation | | | | | | |
| Employment and economic development | 242,671 | 74,010 | (168,661) | | | |
| Capital outlays | 182 | 95 | (87) | 4,646 | 355 | (4,291) |
| **Total expenditures** | 442,853 | 178,301 | (264,552) | 696,353 | 557,022 | (139,331) |
| **Excess (deficiency) of revenues over (under) expenditures** | (296,104) | 1,981 | 298,085 | (205,007) | 15,264 | 220,271 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | | | | - | 18,031 | 18,031 |
| Transfers-out | (154) | (154) | - | | | |
| **Total other sources (uses) of financial resources** | (154) | (154) | - | - | 18,031 | 18,031 |
| **Budgetary funds-nonbudgeted accounts** | | | | (5,189) | (5,189) | - |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (296,258) | 1,827 | 298,085 | (210,196) | 28,106 | 238,302 |
| Budgetary fund balances (deficits), July 1, 2002 | (11,669) | (11,669) | - | (5,573) | (5,573) | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (307,927) | $ (9,842) | $ 298,085 | $ (215,769) | $ 22,533 | $ 238,302 |

| Other Code Departments | | | Total | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ 455,381 | $ 609,459 | $ 154,078 | $ 1,035,787 | $ 1,303,165 | $ 267,378 |
| 40,685 | 20,267 | (20,418) | 99,649 | 79,183 | (20,466) |
| 1,025 | 18 | (1,007) | 2,300 | 72 | (2,228) |
| 495,041 | 629,708 | 134,667 | 1,133,136 | 1,382,276 | 249,140 |
| 186,306 | 147,262 | (39,044) | 1,077,742 | 807,855 | (269,887) |
| 890 | 850 | (40) | 1,161 | 1,120 | (41) |
| 208,967 | 108,967 | (100,000) | 208,967 | 108,967 | (100,000) |
| 570,769 | 371,763 | (199,006) | 813,440 | 445,773 | (367,667) |
| 5,521 | 1,947 | (3,574) | 10,349 | 2,397 | (7,952) |
| 972,453 | 630,789 | (341,664) | 2,111,659 | 1,366,112 | (745,547) |
| (477,412) | (1,081) | 476,331 | (978,523) | 16,164 | 994,687 |
| | | | - | 18,031 | 18,031 |
| (300) | (300) | - | (454) | (454) | - |
| (300) | (300) | - | (454) | 17,577 | 18,031 |
| (96) | (96) | - | (5,285) | (5,285) | - |
| (477,808) | (1,477) | 476,331 | (984,262) | 28,456 | 1,012,718 |
| 7,759 | 7,759 | - | (9,483) | (9,483) | - |
| $ (470,049) | $ 6,282 | $ 476,331 | $ (993,745) | $ 18,973 | $ 1,012,718 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
## Federal Trust Funds - Department of Commerce and Community Affairs

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Low Income Home Energy Assistance Block Grant | | | Community Services Block Grant | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 74,277 | $ 107,386 | $ 33,109 | $ 26,773 | $ 30,301 | $ 3,528 |
| Other | | | | | | |
| Less: | | | | | | |
| Refunds | 600 | - | (600) | 170 | - | (170) |
| **Total revenues** | 73,677 | 107,386 | 33,709 | 26,603 | 30,301 | 3,698 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | 200,000 | 104,196 | (95,804) | | | |
| Employment and economic development | 3,462 | 1,297 | (2,165) | 76,110 | 30,814 | (45,296) |
| Capital outlays | 145 | 75 | (70) | 23 | 17 | (6) |
| **Total expenditures** | 203,607 | 105,568 | (98,039) | 76,133 | 30,831 | (45,302) |
| **Excess (deficiency) of revenues over (under) expenditures** | (129,930) | 1,818 | 131,748 | (49,530) | (530) | 49,000 |
| **OTHER (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-out | | | | (154) | (154) | - |
| **Total other (uses) of financial resources** | | | | (154) | (154) | **-** |
| **Excess (deficiency) of revenues over (under) expenditures and other (uses) of financial resources** | (129,930) | 1,818 | 131,748 | (49,684) | (684) | 49,000 |
| Budgetary fund (deficits), July 1, 2002 | (6,383) | (6,383) | **-** | (2,270) | (2,270) | **-** |
| **BUDGETARY FUND (DEFICITS), JUNE 30, 2003** | $ (136,313) | $ (4,565) | $ 131,748 | $ (51,954) | $ (2,954) | $ 49,000 |

| | Community Development/ Small Cities Block Grant | | | Total | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | $ 46,599 | $ 42,606 | $ (3,993) | $ 147,649 | $ 180,293 | $ 32,644 |
| | 170 | 43 | (127) | 170 | 43 | (127) |
| | 300 | 54 | (246) | 1,070 | 54 | (1,016) |
| | 46,469 | 42,595 | (3,874) | 146,749 | 180,282 | 33,533 |
| | | | | 200,000 | 104,196 | (95,804) |
| | 163,099 | 41,899 | (121,200) | 242,671 | 74,010 | (168,661) |
| | 14 | 3 | (11) | 182 | 95 | (87) |
| | 163,113 | 41,902 | (121,211) | 442,853 | 178,301 | (264,552) |
| | (116,644) | 693 | 117,337 | (296,104) | 1,981 | 298,085 |
| | | | | (154) | (154) | - |
| | | | | (154) | (154) | - |
| | (116,644) | 693 | 117,337 | (296,258) | 1,827 | 298,085 |
| | (3,016) | (3,016) | - | (11,669) | (11,669) | - |
| | $ (119,660) | $ (2,323) | $ 117,337 | $ (307,927) | $ (9,842) | $ 298,085 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
## Federal Trust Funds - Department of Human Services

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Vocational Rehabilitation | | | DHS Special Purpose Trust | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 107,043 | $ 113,787 | $ 6,744 | $ 123,180 | $ 170,502 | $ 47,322 |
| Other | - | 314 | 314 | 320 | 886 | 566 |
| Less: | | | | | | |
| Refunds | 5 | - | (5) | | | |
| **Total revenues** | 107,038 | 114,101 | 7,063 | 123,500 | 171,388 | 47,888 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | 135,849 | 110,390 | (25,459) | 235,220 | 161,661 | (73,559) |
| General government | 223 | 222 | (1) | 21 | 21 | - |
| Capital outlays | 2,534 | 280 | (2,254) | 13 | 1 | (12) |
| **Total expenditures** | 138,606 | 110,892 | (27,714) | 235,254 | 161,683 | (73,571) |
| **Excess (deficiency) of revenues over (under) expenditures** | (31,568) | 3,209 | 34,777 | (111,754) | 9,705 | 121,459 |
| **OTHER SOURCES OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | | | | - | 18,031 | 18,031 |
| **Total other sources of financial resources** | | | | - | 18,031 | 18,031 |
| **Budgetary funds-nonbudgeted accounts** | (270) | (270) | - | (4,919) | (4,919) | - |
| **Excess (deficiency) of revenues over (under) expenditures, other sources of financial resources and budgetary funds-nonbudgeted accounts** | (31,838) | 2,939 | 34,777 | (116,673) | 22,817 | 139,490 |
| Budgetary fund balances (deficits), July 1, 2002 | (1,972) | (1,972) | - | 5,985 | 5,985 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (33,810) | $ 967 | $ 34,777 | $ (110,688) | $ 28,802 | $ 139,490 |

| Old Age Survivors Insurance | | | USDA Women, Infants & Children | | | Total | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ 55,902 | $ 56,437 | $ 535 | $ 146,632 | $ 172,687 | $ 26,055 | $ 432,757 | $ 513,413 | $ 80,656 |
| 109 | - | (109) | 58,365 | 57,673 | (692) | 58,794 | 58,873 | 79 |
| | | | 200 | - | (200) | 205 | - | (205) |
| 56,011 | 56,437 | 426 | 204,797 | 230,360 | 25,563 | 491,346 | 572,286 | 80,940 |
| 76,105 | 56,247 | (19,858) | 244,262 | 228,099 | (16,163) | 691,436 | 556,397 | (135,039) |
| 12 | 12 | - | 15 | 15 | - | 271 | 270 | (1) |
| 1,820 | 60 | (1,760) | 279 | 14 | (265) | 4,646 | 355 | (4,291) |
| 77,937 | 56,319 | (21,618) | 244,556 | 228,128 | (16,428) | 696,353 | 557,022 | (139,331) |
| (21,926) | 118 | 22,044 | (39,759) | 2,232 | 41,991 | (205,007) | 15,264 | 220,271 |
| | | | | | | - | 18,031 | 18,031 |
| | | | | | | - | 18,031 | 18,031 |
| | | | | | | (5,189) | (5,189) | - |
| (21,926) | 118 | 22,044 | (39,759) | 2,232 | 41,991 | (210,196) | 28,106 | 238,302 |
| (2,679) | (2,679) | - | (6,907) | (6,907) | - | (5,573) | (5,573) | - |
| $ (24,605) | $ (2,561) | $ 22,044 | $ (46,666) | $ (4,675) | $ 41,991 | $ (215,769) | $ 22,533 | $ 238,302 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Other Code Departments

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Employment Security | | | Transportation | | |
|---|---|---|---|---|---|---|
| | Title III Social Security & Employment Service | | | Federal/Local Airport | | |
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 270,000 | $ 368,035 | $ 98,035 | $ 82,000 | $ 101,214 | $ 19,214 |
| Other | 11,985 | 11,748 | (237) | 19,000 | 7,374 | (11,626) |
| Less: | | | | | | |
| Refunds | 950 | 1 | (949) | | | |
| **Total revenues** | 281,035 | 379,782 | 98,747 | 101,000 | 108,588 | 7,588 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | | | |
| General government | 692 | 652 | (40) | | | |
| Transportation | | | | 208,967 | 108,967 | (100,000) |
| Employment and economic development | 570,769 | 371,763 | (199,006) | | | |
| Capital outlays | 4,155 | 1,424 | (2,731) | | | |
| **Total expenditures** | 575,616 | 373,839 | (201,777) | 208,967 | 108,967 | (100,000) |
| **Excess (deficiency) of revenues over (under) expenditures** | (294,581) | 5,943 | 300,524 | (107,967) | (379) | 107,588 |
| **OTHER (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-out | (300) | (300) | - | | | |
| **Total other (uses) of financial resources** | (300) | (300) | - | | | |
| **Budgetary funds-nonbudgeted accounts** | | | | | | |
| **Excess (deficiency) of revenues over (under) expenditures, other sources of financial resources and budgetary funds-nonbudgeted accounts** | (294,881) | 5,643 | 300,524 | (107,967) | (379) | 107,588 |
| Budgetary fund balances (deficits), July 1, 2002 | 14,660 | 14,660 | - | 2,936 | 2,936 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (280,221) | $ 20,303 | $ 300,524 | $ (105,031) | $ 2,557 | $ 107,588 |

| Aging | | | Public Health | | | | | |
|---|---|---|---|---|---|---|---|---|
| Services for Older Americans | | | Public Health Services | | | Total | | |
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ 51,281 | $ 56,660 | $ 5,379 | $ 52,100 | $ 83,550 | $ 31,450 | $ 455,381 | $ 609,459 | $ 154,078 |
| | | | 9,700 | 1,145 | (8,555) | 40,685 | 20,267 | (20,418) |
| | | | 75 | 17 | (58) | 1,025 | 18 | (1,007) |
| 51,281 | 56,660 | 5,379 | 61,725 | 84,678 | 22,953 | 495,041 | 629,708 | 134,667 |
| 67,456 | 61,258 | (6,198) | 118,850 | 86,004 | (32,846) | 186,306 | 147,262 | (39,044) |
| 1 | 1 | - | 197 | 197 | - | 890 | 850 | (40) |
| | | | | | | 208,967 | 108,967 | (100,000) |
| | | | | | | 570,769 | 371,763 | (199,006) |
| 1 | 1 | - | 1,365 | 522 | (843) | 5,521 | 1,947 | (3,574) |
| 67,458 | 61,260 | (6,198) | 120,412 | 86,723 | (33,689) | 972,453 | 630,789 | (341,664) |
| (16,177) | (4,600) | 11,577 | (58,687) | (2,045) | 56,642 | (477,412) | (1,081) | 476,331 |
| | | | | | | (300) | (300) | - |
| | | | | | | (300) | (300) | - |
| (96) | (96) | - | | | | (96) | (96) | - |
| (16,273) | (4,696) | 11,577 | (58,687) | (2,045) | 56,642 | (477,808) | (1,477) | 476,331 |
| (6,149) | (6,149) | - | (3,688) | (3,688) | - | 7,759 | 7,759 | - |
| $ (22,422) | $ (10,845) | $ 11,577 | $ (62,375) | $ (5,733) | $ 56,642 | $ (470,049) | $ 6,282 | $ 476,331 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Agencies, Boards and Commissions

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | State Board of Education | | | Other Agencies, Boards, and Commissions | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 1,325,000 | $ 1,597,249 | $ 272,249 | $ 100,542 | $ 89,600 | $ (10,942) |
| Other | | | | 448 | 96 | (352) |
| **Total revenues** | 1,325,000 | 1,597,249 | 272,249 | 100,990 | 89,696 | (11,294) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Education | 1,932,443 | 1,526,579 | (405,864) | | | |
| General government | 53 | 53 | - | 252 | 252 | - |
| Public protection and justice | | | | 100,239 | 56,751 | (43,488) |
| Environment and business regulation | | | | 53,482 | 37,376 | (16,106) |
| Capital outlays | 437 | 253 | (184) | 1,331 | 524 | (807) |
| **Total expenditures** | 1,932,933 | 1,526,885 | (406,048) | 155,304 | 94,903 | (60,401) |
| **Excess (deficiency) of revenues over (under) expenditures** | (607,933) | 70,364 | 678,297 | (54,314) | (5,207) | 49,107 |
| **Other (uses) of financial resources:** | | | | | | |
| Transfers-out | (17,707) | (17,707) | - | | | |
| **Total other (uses) of financial resources** | (17,707) | (17,707) | - | | | |
| **Budgetary funds-nonbudgeted accounts** | (979) | (979) | - | | | |
| **Excess (deficiency) of revenues over (under) expenditures, other (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (626,619) | 51,678 | 678,297 | (54,314) | (5,207) | 49,107 |
| Budgetary fund balances (deficits), July 1, 2002 | (131,996) | (131,996) | - | 1,577 | 1,577 | - |
| **BUDGETARY FUND (DEFICITS), JUNE 30, 2003** | $ (758,615) | $ (80,318) | $ 678,297 | $ (52,737) | $ (3,630) | $ 49,107 |

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| | $ 1,425,542 | $ 1,686,849 | $ 261,307 |
| | 448 | 96 | (352) |
| | 1,425,990 | 1,686,945 | 260,955 |
| | 1,932,443 | 1,526,579 | (405,864) |
| | 305 | 305 | - |
| | 100,239 | 56,751 | (43,488) |
| | 53,482 | 37,376 | (16,106) |
| | 1,768 | 777 | (991) |
| | 2,088,237 | 1,621,788 | (466,449) |
| | (662,247) | 65,157 | 727,404 |
| | (17,707) | (17,707) | - |
| | (17,707) | (17,707) | - |
| | (979) | (979) | - |
| | (680,933) | 46,471 | 727,404 |
| | (130,419) | (130,419) | - |
| | $ (811,352) | $ (83,948) | $ 727,404 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - State Board of Education

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | S.B.E. Federal Department of Agriculture | | | S.B.E. Federal Department of Education | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 375,000 | $ 427,299 | $ 52,299 | $ 950,000 | $ 1,169,950 | $ 219,950 |
| **Total revenues** | 375,000 | 427,299 | 52,299 | 950,000 | 1,169,950 | 219,950 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Education | 431,375 | 404,839 | (26,536) | 1,501,068 | 1,121,740 | (379,328) |
| General government | | | - | 53 | 53 | - |
| Capital outlays | 40 | 37 | (3) | 397 | 216 | (181) |
| **Total expenditures** | 431,415 | 404,876 | (26,539) | 1,501,518 | 1,122,009 | (379,509) |
| **Excess (deficiency) of revenues over (under) expenditures** | (56,415) | 22,423 | 78,838 | (551,518) | 47,941 | 599,459 |
| **OTHER (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-out | | | | (17,707) | (17,707) | - |
| **Total other (uses) of financial resources** | | | | (17,707) | (17,707) | - |
| **Budgetary funds-nonbudgeted accounts** | (979) | (979) | - | | | |
| **Excess (deficiency) of revenues over (under) expenditures, other (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (57,394) | 21,444 | 78,838 | (569,225) | 30,234 | 599,459 |
| Budgetary fund (deficits), July 1, 2002 | (58,350) | (58,350) | - | (73,646) | (73,646) | - |
| **BUDGETARY FUND (DEFICITS), JUNE 30, 2003** | $ (115,744) | $ (36,906) | $ 78,838 | $ (642,871) | $ (43,412) | $ 599,459 |

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| | | | |
| | $ 1,325,000 | $ 1,597,249 | $ 272,249 |
| | 1,325,000 | 1,597,249 | 272,249 |
| | | | |
| | | | |
| | 1,932,443 | 1,526,579 | (405,864) |
| | 53 | 53 | - |
| | 437 | 253 | (184) |
| | 1,932,933 | 1,526,885 | (406,048) |
| | | | |
| | (607,933) | 70,364 | 678,297 |
| | | | |
| | (17,707) | (17,707) | - |
| | (17,707) | (17,707) | - |
| | | | |
| | (979) | (979) | - |
| | | | |
| | | | |
| | (626,619) | 51,678 | 678,297 |
| | | | |
| | (131,996) | (131,996) | - |
| | | | |
| | $ (758,615) | $ (80,318) | $ 678,297 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Other Agencies, Boards and Commissions

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Environmental Protection Agency<br>U. S. Environmental Protection | | | Criminal Justice Information Authority<br>Criminal Justice Trust | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 30,683 | $ 37,754 | $ 7,071 | $ 69,859 | $ 51,846 | $ (18,013) |
| Other | 448 | 1 | (447) | - | 95 | 95 |
| **Total revenues** | 31,131 | 37,755 | 6,624 | 69,859 | 51,941 | (17,918) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | 57 | 57 | - | 195 | 195 | - |
| Public protection and justice | | | | 100,239 | 56,751 | (43,488) |
| Environment and business regulation | 53,482 | 37,376 | (16,106) | | | |
| Capital outlays | 1,331 | 524 | (807) | | | |
| **Total expenditures** | 54,870 | 37,957 | (16,913) | 100,434 | 56,946 | (43,488) |
| **Excess (deficiency) of revenues over (under) expenditures** | (23,739) | (202) | 23,537 | (30,575) | (5,005) | 25,570 |
| Budgetary fund balances (deficits), July 1, 2002 | (228) | (228) | - | 1,805 | 1,805 | - |
| **BUDGETARY FUND (DEFICITS), JUNE 30, 2003** | $ (23,967) | $ (430) | $ 23,537 | $ (28,770) | $ (3,200) | $ 25,570 |

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| | $ 100,542 | $ 89,600 | $ (10,942) |
| | 448 | 96 | (352) |
| | 100,990 | 89,696 | (11,294) |
| | 252 | 252 | - |
| | 100,239 | 56,751 | (43,488) |
| | 53,482 | 37,376 | (16,106) |
| | 1,331 | 524 | (807) |
| | 155,304 | 94,903 | (60,401) |
| | (54,314) | (5,207) | 49,107 |
| | 1,577 | 1,577 | - |
| | $ (52,737) | $ (3,630) | $ 49,107 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Student Assistance Commission

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Federal Student Loan | | | Student Loan Operation | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ 98,500 | $ 73,107 | $ (25,393) | | | |
| Other | - | 58,271 | 58,271 | $ 35,500 | $ 31,411 | $ (4,089) |
| **Total revenues** | 98,500 | 131,378 | 32,878 | 35,500 | 31,411 | (4,089) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Education | 190,000 | 131,875 | (58,125) | 75,132 | 34,352 | (40,780) |
| General government | | | | 11 | 11 | - |
| Capital outlays | | | | 525 | 154 | (371) |
| **Total expenditures** | 190,000 | 131,875 | (58,125) | 75,668 | 34,517 | (41,151) |
| **Excess (deficiency) of revenues over (under) expenditures** | (91,500) | (497) | 91,003 | (40,168) | (3,106) | 37,062 |
| **OTHER (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-out | | | | (39) | (39) | - |
| **Total other (uses) of financial resources** | | | | (39) | (39) | - |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (91,500) | (497) | 91,003 | (40,207) | (3,145) | 37,062 |
| Budgetary fund balances, July 1, 2002 | 34,353 | 34,353 | - | 30,207 | 30,207 | - |
| **BUDGETARY FUND BALANCE (DEFICITS), JUNE 30, 2003** | $ (57,147) | $ 33,856 | $ 91,003 | $ (10,000) | $ 27,062 | $ 37,062 |

| | Total | |
|---|---|---|
| Final Budget | Actual | Variance Over (Under) |
| $ 98,500 | $ 73,107 | $ (25,393) |
| 35,500 | 89,682 | 54,182 |
| 134,000 | 162,789 | 28,789 |
| 265,132 | 166,227 | (98,905) |
| 11 | 11 | - |
| 525 | 154 | (371) |
| 265,668 | 166,392 | (99,276) |
| (131,668) | (3,603) | 128,065 |
| (39) | (39) | - |
| (39) | (39) | - |
| (131,707) | (3,642) | 128,065 |
| 64,560 | 64,560 | - |
| $ (67,147) | $ 60,918 | $ 128,065 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Central Management Services | | | Corrections Working Capital | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ - | $ 400 | $ 400 | | | |
| Other | 272,722 | 214,023 | (58,699) | $ 31,338 | $ 25,792 | $ (5,546) |
| Less: | | | | | | |
| Refunds | 8,122 | 103 | (8,019) | 20 | 7 | (13) |
| **Total revenues** | 264,600 | 214,320 | (50,280) | 31,318 | 25,785 | (5,533) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | 362,805 | 223,739 | (139,066) | 11 | 11 | - |
| Transportation | | | | | | |
| Public protection and justice | | | | 58,330 | 37,623 | (20,707) |
| Capital outlays | 1,496 | 862 | (634) | 3,950 | 419 | (3,531) |
| **Total expenditures** | 364,301 | 224,601 | (139,700) | 62,291 | 38,053 | (24,238) |
| **Excess (deficiency) of revenues over (under) expenditures** | (99,701) | (10,281) | 89,420 | (30,973) | (12,268) | 18,705 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | 11,550 | 16,956 | 5,406 | - | 2 | 2 |
| Transfers-out | (26) | (26) | - | (116) | (116) | - |
| **Total other sources (uses) of financial resources** | 11,524 | 16,930 | 5,406 | (116) | (114) | 2 |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (88,177) | 6,649 | 94,826 | (31,089) | (12,382) | 18,707 |
| Budgetary fund balances, July 1, 2002 | 6,777 | 6,777 | - | 10,929 | 10,929 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (81,400) | $ 13,426 | $ 94,826 | $ (20,160) | $ (1,453) | $ 18,707 |

| Other | | | Total | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ - | $ 400 | $ 400 |
| $ 4,198 | $ 4,251 | $ 53 | 308,258 | 244,066 | (64,192) |
| 10 | 2 | (8) | 8,152 | 112 | (8,040) |
| 4,188 | 4,249 | 61 | 300,106 | 244,354 | (55,752) |
| 5,587 | 3,400 | (2,187) | 368,403 | 227,150 | (141,253) |
| 1,000 | 555 | (445) | 1,000 | 555 | (445) |
| | | | 58,330 | 37,623 | (20,707) |
| 196 | 58 | (138) | 5,642 | 1,339 | (4,303) |
| 6,783 | 4,013 | (2,770) | 433,375 | 266,667 | (166,708) |
| (2,595) | 236 | 2,831 | (133,269) | (22,313) | 110,956 |
| | | | 11,550 | 16,958 | 5,408 |
| (68) | (68) | - | (210) | (210) | - |
| (68) | (68) | - | 11,340 | 16,748 | 5,408 |
| (2,663) | 168 | 2,831 | (121,929) | (5,565) | 116,364 |
| 841 | 841 | - | 18,547 | 18,547 | - |
| $ (1,822) | $ 1,009 | $ 2,831 | $ (103,382) | $ 12,982 | $ 116,364 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds - Department of Central Management Services

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | State Garage | | | Communications | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ - | $ 7 | $ 7 | $ - | $ 393 | $ 393 |
| Other | 38,822 | 32,788 | (6,034) | 157,000 | 117,086 | (39,914) |
| Less: | | | | | | |
| Refunds | 10 | - | (10) | 112 | 103 | (9) |
| **Total revenues** | 38,812 | 32,795 | (6,017) | 156,888 | 117,376 | (39,512) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | 45,428 | 33,174 | (12,254) | 177,950 | 111,153 | (66,797) |
| Capital outlays | 1,144 | 793 | (351) | 138 | 54 | (84) |
| **Total expenditures** | 46,572 | 33,967 | (12,605) | 178,088 | 111,207 | (66,881) |
| **Excess (deficiency) of revenues over (under) expenditures** | (7,760) | (1,172) | 6,588 | (21,200) | 6,169 | 27,369 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | | | | - | 1 | 1 |
| Transfers-out | (4) | (4) | - | (15) | (15) | - |
| **Total other sources (uses) of financial resources** | (4) | (4) | - | (15) | (14) | 1 |
| **Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources** | (7,764) | (1,176) | 6,588 | (21,215) | 6,155 | 27,370 |
| Budgetary fund balances (deficits), July 1, 2002 | (3,724) | (3,724) | - | 8,536 | 8,536 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (11,488) | $ (4,900) | $ 6,588 | $ (12,679) | $ 14,691 | $ 27,370 |

| Statistical Services | | | Total | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ - | $ 400 | $ 400 |
| $ 76,900 | $ 64,149 | $ (12,751) | 272,722 | 214,023 | (58,699) |
| 8,000 | - | (8,000) | 8,122 | 103 | (8,019) |
| 68,900 | 64,149 | (4,751) | 264,600 | 214,320 | (50,280) |
| 139,427 | 79,412 | (60,015) | 362,805 | 223,739 | (139,066) |
| 214 | 15 | (199) | 1,496 | 862 | (634) |
| 139,641 | 79,427 | (60,214) | 364,301 | 224,601 | (139,700) |
| (70,741) | (15,278) | 55,463 | (99,701) | (10,281) | 89,420 |
| 11,550 | 16,955 | 5,405 | 11,550 | 16,956 | 5,406 |
| (7) | (7) | - | (26) | (26) | - |
| 11,543 | 16,948 | 5,405 | 11,524 | 16,930 | 5,406 |
| (59,198) | 1,670 | 60,868 | (88,177) | 6,649 | 94,826 |
| 1,965 | 1,965 | - | 6,777 | 6,777 | - |
| $ (57,233) | $ 3,635 | $ 60,868 | $ (81,400) | $ 13,426 | $ 94,826 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
## State Trust Funds

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Code Departments | | | Other Agencies, Boards and Commissions<br>State Employees Retirement System<br>State Employees Retirement System Fund | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Sales taxes | $ 459,566 | $ 459,566 | $ - | | | |
| Motor fuel taxes | 27,925 | 27,925 | - | | | |
| Public utility taxes | 94,503 | 94,503 | - | | | |
| Federal government | 111,698 | 37,495 | (74,203) | | | |
| Other | 708,401 | 1,112,645 | 404,244 | $ 814,468 | $ 814,468 | $ - |
| Less: | | | | | | |
| Refunds | 200 | 31 | (169) | | | |
| **Total revenues** | 1,401,893 | 1,732,103 | 330,210 | 814,468 | 814,468 | - |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and Social Services | 171,747 | 101,488 | (70,259) | | | |
| Education | | | | | | |
| General government | 225,196 | 142,716 | (82,480) | - | 1 | 1 |
| Public protection and justice | | | | | | |
| Employment and economic development | | | | | | |
| Environment and business regulation | | | | | | |
| Capital outlays | 823 | 97 | (726) | | | |
| **Total expenditures** | 397,766 | 244,301 | (153,465) | - | 1 | 1 |
| **Excess (deficiency) of revenues over (under) expenditures** | 1,004,127 | 1,487,802 | 483,675 | 814,468 | 814,467 | (1) |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | 6 | 2,000 | 1,994 | | | |
| Transfers-out | (189,972) | (189,972) | - | (46) | (46) | - |
| **Total other sources (uses) of financial resources** | (189,966) | (187,972) | 1,994 | (46) | (46) | - |
| **Budgetary funds-nonbudgeted accounts** | (1,202,931) | (1,202,931) | - | (875,594) | (875,594) | - |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (388,770) | 96,899 | 485,669 | (61,172) | (61,173) | (1) |
| Budgetary fund balances July 1, 2002 | 80,753 | 80,753 | - | 97,326 | 97,326 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (308,017) | $ 177,652 | $ 485,669 | $ 36,154 | $ 36,153 | $ (1) |

| Other | | | Total | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ 459,566 | $ 459,566 | $ - |
| | | | 27,925 | 27,925 | - |
| | | | 94,503 | 94,503 | - |
| $ 34,080 | $ 24,665 | $ (9,415) | 145,778 | 62,160 | (83,618) |
| 38,056 | 47,944 | 9,888 | 1,560,925 | 1,975,057 | 414,132 |
| | | | 200 | 31 | (169) |
| 72,136 | 72,609 | 473 | 2,288,497 | 2,619,180 | 330,683 |
| | | | | | |
| 15,659 | 6,036 | (9,623) | 187,406 | 107,524 | (79,882) |
| 25,000 | 4,009 | (20,991) | 25,000 | 4,009 | (20,991) |
| 23,780 | 22,595 | (1,185) | 248,976 | 165,312 | (83,664) |
| 4,050 | 1,810 | (2,240) | 4,050 | 1,810 | (2,240) |
| 2,622 | 25 | (2,597) | 2,622 | 25 | (2,597) |
| 10,380 | 5,856 | (4,524) | 10,380 | 5,856 | (4,524) |
| 3 | - | (3) | 826 | 97 | (729) |
| 81,494 | 40,331 | (41,163) | 479,260 | 284,633 | (194,627) |
| | | | | | |
| (9,358) | 32,278 | 41,636 | 1,809,237 | 2,334,547 | 525,310 |
| - | 79 | 79 | 6 | 2,079 | 2,073 |
| (258) | (258) | - | (190,276) | (190,276) | - |
| (258) | (179) | 79 | (190,270) | (188,197) | 2,073 |
| (35,368) | (35,368) | - | (2,113,893) | (2,113,893) | - |
| | | | | | |
| (44,984) | (3,269) | 41,715 | (494,926) | 32,457 | 527,383 |
| 50,706 | 50,706 | - | 228,785 | 228,785 | - |
| $ 5,722 | $ 47,437 | $ 41,715 | $ (266,141) | $ 261,242 | $ 527,383 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
## State Trust Funds - Code Departments

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Central Management Services | | | Human Services<br>Early Intervention Services Revolving | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Sales taxes | | | | | | |
| Motor fuel taxes | | | | | | |
| Public utility taxes | | | | | | |
| Federal government | $ 665 | $ 8 | $ (657) | $ 5,340 | $ 33,024 | $ 27,684 |
| Other | 406,802 | 540,936 | 134,134 | 79,822 | 69,192 | (10,630) |
| Less: | | | | | | |
| Refunds | | | | 100 | 31 | (69) |
| **Total revenues** | 407,467 | 540,944 | 133,477 | 85,062 | 102,185 | 17,123 |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 150,000 | 84,945 | (65,055) |
| General government | 224,028 | 141,692 | (82,336) | 26 | 26 | - |
| Capital outlays | 18 | - | (18) | | | |
| **Total expenditures** | 224,046 | 141,692 | (82,354) | 150,026 | 84,971 | (65,055) |
| **Excess (deficiency) of revenues over (under) expenditures** | 183,421 | 399,252 | 215,831 | (64,964) | 17,214 | 82,178 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | - | 2,000 | 2,000 | | | |
| Transfers-out | | | | (12) | (12) | - |
| **Total other sources (uses) of financial resources** | - | 2,000 | 2,000 | (12) | (12) | - |
| **Budgetary funds-nonbudgeted accounts** | (383,423) | (383,423) | - | | | |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds- nonbudgeted accounts** | (200,002) | 17,829 | 217,831 | (64,976) | 17,202 | 82,178 |
| Budgetary fund balances (deficits), July 1, 2002 | (1,104) | (1,104) | - | 13,408 | 13,408 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (201,106) | $ 16,725 | $ 217,831 | $ (51,568) | $ 30,610 | $ 82,178 |

| Public Aid | | | Revenue | | | Total | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ 459,566 | $ 459,566 | $ - | $ 459,566 | $ 459,566 | $ - |
| | | | 27,925 | 27,925 | - | 27,925 | 27,925 | - |
| | | | 94,503 | 94,503 | - | 94,503 | 94,503 | - |
| $ 105,693 | $ 4,463 | $ (101,230) | | | | 111,698 | 37,495 | (74,203) |
| 221,359 | 502,099 | 280,740 | 418 | 418 | - | 708,401 | 1,112,645 | 404,244 |
| | | | 100 | - | (100) | 200 | 31 | (169) |
| 327,052 | 506,562 | 179,510 | 582,312 | 582,412 | 100 | 1,401,893 | 1,732,103 | 330,210 |
| 21,747 | 16,543 | (5,204) | | | | 171,747 | 101,488 | (70,259) |
| 98 | 98 | - | 1,044 | 900 | (144) | 225,196 | 142,716 | (82,480) |
| 805 | 97 | (708) | | | | 823 | 97 | (726) |
| 22,650 | 16,738 | (5,912) | 1,044 | 900 | (144) | 397,766 | 244,301 | (153,465) |
| 304,402 | 489,824 | 185,422 | 581,268 | 581,512 | 244 | 1,004,127 | 1,487,802 | 483,675 |
| | | | 6 | - | (6) | 6 | 2,000 | 1,994 |
| (189,960) | (189,960) | - | | | | (189,972) | (189,972) | - |
| (189,960) | (189,960) | - | 6 | - | (6) | (189,966) | (187,972) | 1,994 |
| (283,433) | (283,433) | - | (536,075) | (536,075) | - | (1,202,931) | (1,202,931) | - |
| (168,991) | 16,431 | 185,422 | 45,199 | 45,437 | 238 | (388,770) | 96,899 | 485,669 |
| 31,555 | 31,555 | - | 36,894 | 36,894 | - | 80,753 | 80,753 | - |
| $ (137,436) | $ 47,986 | $ 185,422 | $ 82,093 | $ 82,331 | $ 238 | $ (308,017) | $ 177,652 | $ 485,669 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
## State Trust Funds - Department of Central Management Services

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Local Government Health Insurance Reserve | | | Teacher Health Insurance Security | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | | | | | | |
| Other | $ 118,817 | $ 83,267 | $ (35,550) | $ 223,896 | $ 223,896 | $ - |
| **Total revenues** | 118,817 | 83,267 | (35,550) | 223,896 | 223,896 | - |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | 148,171 | 76,689 | (71,482) | | | |
| Capital outlays | 18 | - | (18) | | | |
| **Total expenditures** | 148,189 | 76,689 | (71,500) | | | |
| **Excess (deficiency) of revenues over (under) expenditures** | (29,372) | 6,578 | 35,950 | 223,896 | 223,896 | - |
| **OTHER SOURCES OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | | | | - | 2,000 | 2,000 |
| **Total other sources of financial resources** | | | | - | 2,000 | 2,000 |
| **Budgetary funds-nonbudgeted accounts** | | | | (215,690) | (215,690) | - |
| **Excess (deficiency) of revenues over (under) expenditures and other sources of financial resources and budgetary funds-nonbudgeted accounts** | (29,372) | 6,578 | 35,950 | 8,206 | 10,206 | 2,000 |
| Budgetary fund balances (deficits), July 1, 2002 | (2,639) | (2,639) | - | 1,063 | 1,063 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (32,011) | $ 3,939 | $ 35,950 | $ 9,269 | $ 11,269 | $ 2,000 |

| Group Insurance Premium | | | State Employees Deferred Compensation Plan | | | Total | | |
|---|---|---|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| $ 665 | $ 8 | $ (657) | | | | $ 665 | $ 8 | $ (657) |
| 62,689 | 65,183 | 2,494 | $ 1,400 | $ 168,590 | $ 167,190 | 406,802 | 540,936 | 134,134 |
| 63,354 | 65,191 | 1,837 | 1,400 | 168,590 | 167,190 | 407,467 | 540,944 | 133,477 |
| 73,999 | 63,633 | (10,366) | 1,858 | 1,370 | (488) | 224,028 | 141,692 | (82,336) |
| | | | | | | 18 | - | (18) |
| 73,999 | 63,633 | (10,366) | 1,858 | 1,370 | (488) | 224,046 | 141,692 | (82,354) |
| (10,645) | 1,558 | 12,203 | (458) | 167,220 | 167,678 | 183,421 | 399,252 | 215,831 |
| | | | | | | - | 2,000 | 2,000 |
| | | | | | | - | 2,000 | 2,000 |
| | | | (167,733) | (167,733) | - | (383,423) | (383,423) | - |
| (10,645) | 1,558 | 12,203 | (168,191) | (513) | 167,678 | (200,002) | 17,829 | 217,831 |
| (4,671) | (4,671) | - | 5,143 | 5,143 | - | (1,104) | (1,104) | - |
| $ (15,316) | $ (3,113) | $ 12,203 | $ (163,048) | $ 4,630 | 167,678 | $ (201,106) | $ 16,725 | $ 217,831 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures, Other Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
## State Trust Funds - Department of Public Aid

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Public Aid Recoveries Trust | | | Child Support Enforcement Trust | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Federal government | $ - | $ 4,463 | $ 4,463 | $ 105,693 | $ - | $ (105,693) |
| Other | 158,838 | 374,405 | 215,567 | 62,521 | 127,694 | 65,173 |
| **Total revenues** | 158,838 | 378,868 | 220,030 | 168,214 | 127,694 | (40,520) |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| Health and social services | 21,747 | 16,543 | (5,204) | | | |
| General government | 1 | 1 | - | 97 | 97 | - |
| Capital outlays | 805 | 97 | (708) | | | |
| **Total expenditures** | 22,553 | 16,641 | (5,912) | 97 | 97 | - |
| **Excess (deficiency) of revenues over (under) expenditures** | 136,285 | 362,227 | 225,942 | 168,117 | 127,597 | (40,520) |
| **OTHER (USES) OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-out | (169,960) | (169,960) | - | (20,000) | (20,000) | - |
| **Total other (uses) of financial resources** | (169,960) | (169,960) | - | (20,000) | (20,000) | - |
| **Budgetary funds-nonbudgeted accounts** | (187,261) | (187,261) | - | (96,172) | (96,172) | - |
| **Excess (deficiency) of revenues over (under) expenditures, other (uses) of financial resources and budgetary funds-nonbudgeted accounts** | (220,936) | 5,006 | 225,942 | 51,945 | 11,425 | (40,520) |
| Budgetary fund balances, July 1, 2002 | 1,258 | 1,258 | - | 30,297 | 30,297 | - |
| **BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2003** | $ (219,678) | $ 6,264 | $ 225,942 | $ 82,242 | $ 41,722 | $ (40,520) |

| | Total | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) |
| | | | |
| $ | 105,693 | $ 4,463 | $ (101,230) |
| | 221,359 | 502,099 | 280,740 |
| | 327,052 | 506,562 | 179,510 |
| | | | |
| | 21,747 | 16,543 | (5,204) |
| | 98 | 98 | - |
| | 805 | 97 | (708) |
| | 22,650 | 16,738 | (5,912) |
| | | | |
| | 304,402 | 489,824 | 185,422 |
| | | | |
| | (189,960) | (189,960) | - |
| | (189,960) | (189,960) | - |
| | | | |
| | (283,433) | (283,433) | - |
| | | | |
| | (168,991) | 16,431 | 185,422 |
| | | | |
| | 31,555 | 31,555 | - |
| | | | |
| $ | (137,436) | $ 47,986 | $ 185,422 |

*State of Illinois*

## Combining Schedule of Revenues, Expenditures and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds - Department of Revenue

**For the Year Ended June 30, 2003 (Expressed in Thousands)**

| | Home Rule Municipal ROT | | | County Option Motor Fuel Tax | | |
|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| **REVENUES:** | | | | | | |
| Sales taxes | $ 459,566 | $ 459,566 | $ - | | | |
| Motor fuel taxes | | | | $ 27,925 | $ 27,925 | $ - |
| Public utility taxes | | | | | | |
| Other | 334 | 334 | - | 84 | 84 | - |
| Less: | | | | | | |
| Refunds | | | | | | |
| **Total revenues** | 459,900 | 459,900 | - | 28,009 | 28,009 | - |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | 417 | 363 | (54) | 627 | 537 | (90) |
| **Total expenditures** | 417 | 363 | (54) | 627 | 537 | (90) |
| **Excess (deficiency) of revenues over (under) expenditures** | 459,483 | 459,537 | 54 | 27,382 | 27,472 | 90 |
| **OTHER SOURCES OF FINANCIAL RESOURCES:** | | | | | | |
| Transfers-in | 6 | - | (6) | | | |
| **Total other sources of financial resources** | 6 | - | (6) | | | |
| **Budgetary funds-nonbudgeted accounts** | (448,740) | (448,740) | - | (27,366) | (27,366) | - |
| **Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-non-budgeted accounts** | 10,749 | 10,797 | 48 | 16 | 106 | 90 |
| Budgetary fund balances, July 1, 2002 | 31,488 | 31,488 | - | 5,406 | 5,406 | - |
| **BUDGETARY FUND BALANCES, JUNE 30, 2003** | $ 42,237 | $ 42,285 | $ 48 | $ 5,422 | $ 5,512 | $ 90 |

| Municipal Telecommunications | | | Total | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | $ 459,566 | $ 459,566 | $ - |
| | | | 27,925 | 27,925 | - |
| $ 94,503 | $ 94,503 | $ - | 94,503 | 94,503 | - |
| | | | 418 | 418 | - |
| 100 | - | (100) | 100 | - | (100) |
| 94,403 | 94,503 | 100 | 582,312 | 582,412 | 100 |
| | | | 1,044 | 900 | (144) |
| | | | 1,044 | 900 | (144) |
| 94,403 | 94,503 | 100 | 581,268 | 581,512 | 244 |
| | | | 6 | - | (6) |
| | | | 6 | - | (6) |
| (59,969) | (59,969) | - | (536,075) | (536,075) | - |
| 34,434 | 34,534 | 100 | 45,199 | 45,437 | 238 |
| | | | 36,894 | 36,894 | - |
| $ 34,434 | $ 34,534 | $ 100 | $ 82,093 | $ 82,331 | $ 238 |

*State of Illinois*

## Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources - GAAP Basis All Governmental Funds **

**For the Last Ten Fiscal Years (Expressed in Thousands)**

| | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Income taxes | $ 8,385,257 | $ 8,644,140 | $ 9,608,337 | $ 9,675,448 | $ 9,250,492 |
| Sales taxes | 8,350,521 | 8,306,372 | 8,325,208 | 8,209,197 | 7,688,996 |
| Motor fuel taxes | 1,377,995 | 1,355,665 | 1,357,756 | 1,342,733 | 1,306,238 |
| Public utility taxes | 1,613,052 | 1,537,288 | 1,593,448 | 1,492,889 | 1,437,604 |
| Other taxes | 2,602,379 | 2,319,230 | 3,301,888 | 3,314,767 | 3,121,697 |
| Federal government | 11,873,142 | 11,072,398 | 10,702,331 | 10,139,165 | 9,355,944 |
| Licenses and fees | 1,675,796 | 1,707,395 | 1,642,976 | 1,526,711 | 1,156,885 |
| Interest and other investment income | 124,535 | 223,729 | 661,425 | 647,980 | 586,270 |
| Other | 2,162,727 | 1,722,982 | 2,191,187 | 2,065,411 | 1,458,372 |
| **Total revenues** | 38,165,404 | 36,889,199 | 39,384,556 | 38,414,301 | 35,362,498 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| Health and social services | 16,052,959 | 15,474,137 | 14,494,886 | 12,310,235 | 10,891,395 |
| Education | 11,352,381 | 11,109,860 | 9,030,564 | 8,667,910 | 7,540,069 |
| General government | 2,215,205 | 5,614,361 | 5,624,824 | 6,808,005 | 5,988,951 |
| Employment and economic development * | 1,312,450 | 1,246,520 | 2,729,933 | | |
| Social assistance | | | | 2,675,866 | 3,233,091 |
| Transportation | 2,703,536 | 2,759,248 | 3,586,787 | 3,290,098 | 2,566,850 |
| Public protection and justice | 2,052,585 | 2,151,636 | 1,976,867 | 2,011,188 | 1,899,057 |
| Environment and business regulation * | 827,500 | 745,643 | 690,984 | | |
| Natural resources and recreation | | | | 514,687 | 452,290 |
| Debt service: | | | | | |
| Principal | 743,101 | 670,600 | 574,394 | 529,512 | 531,373 |
| Interest | 491,821 | 406,415 | 499,304 | 447,467 | 432,128 |
| Capital outlays | 1,754,708 | 1,787,562 | 581,110 | 544,757 | 344,516 |
| Intergovernmental | 3,483,426 | | | | |
| **Total expenditures** | 42,989,672 | 41,965,982 | 39,789,653 | 37,799,725 | 33,879,720 |
| **Excess (deficiency) of revenues over (under) expenditures** | (4,824,268) | (5,076,783) | (405,097) | 614,576 | 1,482,778 |
| **OTHER SOURCES (USES) OF FINANCIAL RESOURCES** | | | | | |
| General and special obligations bonds issued, including premiums (discounts) | 12,008,240 | 1,717,192 | 1,315,985 | 988,143 | 661,539 |
| General and special obligation refunding bonds issued, including premiums (discounts) | 760,598 | 704,314 | 301,993 | | 173,179 |
| Transfers-in | 7,483,702 | 5,332,536 | 5,682,812 | 5,470,623 | 6,382,561 |
| Transfers from component units | | | 588 | 174 | 15 |
| Transfers-out | (6,954,991) | (4,799,657) | (5,198,969) | (4,934,893) | (5,866,140) |
| Transfers to component units | | | (1,762,903) | (1,420,116) | (1,572,189) |
| Capital lease financing | 4,415 | 21,829 | 33,131 | 18,187 | 23,667 |
| Payment to refunded bond escrow agent | (757,330) | (697,084) | (301,988) | | (173,179) |
| Proceeds from certificates of participation | | | | 34,155 | |
| Proceeds from other long-term obligations | 8,778 | 7,080 | 24,858 | | |
| **Net other sources (uses) of financial resources** | 12,553,412 | 2,286,210 | 95,507 | 156,273 | (370,547) |
| **Net change in fund balances** | $ 7,729,144 | $ (2,790,573) | $ (309,590) | $ 770,849 | $ 1,112,231 |

* Functional expense categories were revised in fiscal year 2001.

** Prior to fiscal year 2002, Expendable Trust Fund activity had been included.

| 1998 | 1997 | 1996 | 1995 | 1994 |
|---|---|---|---|---|
| $ 8,810,664 | $ 7,931,647 | $ 7,350,286 | $ 6,862,484 | $ 6,341,405 |
| 7,167,852 | 6,823,157 | 6,520,321 | 6,271,692 | 5,984,237 |
| 1,287,585 | 1,231,754 | 1,197,288 | 1,154,482 | 1,098,820 |
| 1,207,894 | 1,092,681 | 1,047,020 | 985,016 | 1,011,616 |
| 2,774,555 | 2,854,650 | 2,901,397 | 3,266,077 | 3,110,413 |
| 8,950,849 | 8,909,679 | 8,409,885 | 8,639,857 | 8,404,474 |
| 1,093,463 | 1,078,001 | 1,020,758 | 1,001,099 | 996,453 |
| 421,478 | 359,404 | 351,718 | 311,898 | 202,119 |
| 1,551,962 | 1,395,495 | 1,099,356 | 1,035,374 | 1,308,394 |
| 33,266,302 | 31,676,468 | 29,898,029 | 29,527,979 | 28,457,931 |
| | | | | |
| 9,963,460 | 9,289,837 | 8,732,071 | 8,623,643 | 7,855,039 |
| 6,785,608 | 6,131,774 | 5,752,793 | 5,395,845 | 5,128,035 |
| 5,565,134 | 4,986,851 | 4,917,335 | 4,571,183 | 4,417,418 |
| | | | | |
| 3,539,969 | 3,873,387 | 4,131,674 | 3,995,466 | 4,698,546 |
| 2,649,178 | 2,697,520 | 2,627,170 | 2,713,372 | 2,535,653 |
| 1,678,187 | 1,613,345 | 1,481,413 | 1,437,874 | 1,412,870 |
| | | | | |
| 414,082 | 418,567 | 364,848 | 388,607 | 426,270 |
| | | | | |
| 522,953 | 501,299 | 456,350 | 443,676 | 427,646 |
| 443,161 | 442,578 | 433,587 | 444,490 | 396,971 |
| 342,900 | 374,703 | 366,518 | 290,361 | 263,573 |
| 31,904,632 | 30,329,861 | 29,263,759 | 28,304,517 | 27,562,021 |
| | | | | |
| 1,361,670 | 1,346,607 | 634,270 | 1,223,462 | 895,910 |
| | | | | |
| 597,428 | 406,473 | 728,944 | 776,220 | 686,929 |
| | | | | |
| 308,738 | 84,803 | 318,040 | | 501,162 |
| 4,545,916 | 4,460,454 | 4,395,048 | 4,149,874 | 3,559,780 |
| 247 | 777 | 18 | 40 | 113 |
| (4,040,335) | (3,876,480) | (3,790,475) | (3,564,180) | (3,002,277) |
| (1,492,592) | (1,423,032) | (1,402,746) | (1,377,869) | (1,284,315) |
| 11,990 | 19,249 | 26,411 | 10,711 | 23,148 |
| (308,738) | (84,803) | (318,040) | | (501,162) |
| | | 90,052 | 18,802 | |
| (377,346) | (412,559) | 47,252 | 13,598 | (16,622) |
| $ 984,324 | $ 934,048 | $ 681,522 | $ 1,237,060 | $ 879,288 |

*State of Illinois*

## Ratio of Annual Debt Service for General and Special Obligation Debt to Total Revenues and Expenditures - GAAP Basis All Governmental Fund Types

**For the Last Ten Fiscal Years (Expressed in Thousands Except Ratio Data)**

| For the Year Ended June 30 | Principal | Interest | Total Debt Service | Revenues | Ratio | Expenditures | Ratio |
|---|---|---|---|---|---|---|---|
| 1994 | $ 410,292 | $ 323,309 | $ 733,601 | $ 28,463,037 | 2.58 % | $ 27,567,179 | 2.66 % |
| 1995 | 427,902 | 350,295 | 778,197 | 29,555,580 | 2.63 | 28,311,850 | 2.75 |
| 1996 | 440,080 | 352,906 | 792,986 | 29,945,854 | 2.65 | 29,281,140 | 2.71 |
| 1997 | 479,810 | 359,718 | 839,528 | 31,716,307 | 2.65 | 30,345,472 | 2.77 |
| 1998 | 496,882 | 357,405 | 854,287 | 33,318,487 | 2.56 | 31,918,915 | 2.68 |
| 1999 | 428,718 | 280,593 | 709,311 | 35,415,609 | 2.00 | 33,792,060 | 2.10 |
| 2000 | 505,168 | 389,608 | 894,776 | 38,469,758 | 2.33 | 37,818,547 | 2.37 |
| 2001 | 532,841 | 436,876 | 969,717 | 39,440,321 | 2.46 | 39,810,076 | 2.44 |
| 2002 | 640,206 | 394,287 | 1,034,493 | 36,889,199 | 2.80 | 41,965,982 | 2.47 |
| 2003 | 713,200 | 459,366 | 1,172,566 | 38,165,404 | 3.07 | 42,989,673 | 2.73 |

*State of Illinois*

## Ratio of General and Special Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

**For the Last Ten Fiscal Years (Expressed in Thousands Except Ratio and Per Capita Data)**

| For the Year Ended June 30 | Population | Equalized Assessed Value | General and Special Obligation Bond Debt | | | Net General and Special Obligation Bond Debt | |
|---|---|---|---|---|---|---|---|
| | | | Total | Less Debt Service Fund | Net | Ratio to Assessed Value | Per Capita |
| 1994 | 11,752 | 150,144,693 | $ 6,699,950 | $ 361,549 | $ 6,338,401 | 4.22 % | $ 539.35 |
| 1995 | 11,830 | 157,653,737 | 7,143,804 | 416,068 | 6,727,736 | 4.27 | 568.70 |
| 1996 | 11,847 | 165,443,101 | 7,537,521 | 499,319 | 7,038,202 | 4.25 | 594.09 |
| 1997 | 11,896 | 171,381,749 | 7,539,564 | 605,629 | 6,933,935 | 4.05 | 582.88 |
| 1998 | 12,045 | 173,812,593 | 7,718,410 | 708,468 | 7,009,942 | 4.03 | 581.98 |
| 1999 | 12,128 | 182,725,045 | 7,954,108 | 792,122 | 7,161,986 | 3.92 | 590.53 |
| 2000 | 12,419 | 192,393,890 | 8,482,788 | 900,685 | 7,582,103 | 3.94 | 610.52 |
| 2001 | 12,482 | 204,178,020 | 9,282,965 | 784,312 | 8,498,653 | 4.16 | 680.87 |
| 2002 | 12,601 | 220,330,253 | 10,408,790 | 624,798 | 9,783,992 | 4.44 | 776.45 |
| 2003 | 12,654 | (a) | 21,691,141 | 1,187,817 | 20,503,324 | | 1,620.30 |

(a) equalized assessed value data is not available

***Source: Illinois Property Tax Statistics - Illinois Department of Revenue, U.S. Department of Commerce, Bureau of the Census.***

*State of Illinois*

## Revenue Bond Coverage
## Proprietary

**For the Last Ten Fiscal Years (Expressed in Thousands Except Coverage Data)**

| Fiscal Year | Gross Revenues | Direct Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|---|---|---|---|---|---|---|---|
| | | | | Principal | Interest | Total | |
| **PRIMARY GOVERNMENT** | | | | | | | |
| **Water Revolving Fund -** | | | | | | | |
| 2002 (a) | $ 34,792 | $ 8,741 | $ 26,051 | $ -- | $ -- | $ -- | -- % |
| 2003 | 38,169 | 9,626 | 28,543 | 3,085 | 5,153 | 8,238 | 3.46 |
| **Illinois Student Assistance Commission -** | | | | | | | |
| 1994 | $ 202,314 (b) | $ 13,053 | $ 189,261 | $ 140,680 (b) | $ 42,548 | $ 183,228 | 1.03 % |
| 1995 | 117,416 (c) | 14,142 | 103,274 | 61,720 (c) | 44,596 | 106,316 | 0.97 |
| 1996 | 124,164 (d) | 15,338 | 108,826 | 61,025 (d) | 47,692 | 108,717 | 1.00 |
| 1997 | 144,930 (e) | 20,078 | 124,852 | 76,165 (e) | 51,995 | 128,160 | 0.97 |
| 1998 | 107,397 (f) | 21,125 | 86,272 | 29,995 (f) | 57,604 | 87,599 | 0.98 |
| 1999 | 130,741 (g) | 22,613 | 108,128 | 39,320 (g) | 63,494 | 102,814 | 1.05 |
| 2000 | 149,636 (h) | 24,956 | 124,680 | 39,765 (h) | 21,832 | 61,597 | 2.02 |
| 2001 | 170,779 (i) | 29,161 | 141,618 | 42,845 (i) | 17,804 | 60,649 | 2.34 |
| 2002 | 130,634 (j) | 37,869 | 92,765 | 44,405 (j) | 49,855 | 94,260 | 0.98 |
| 2003 | 91,748 | 55,401 | 36,347 | 137,345 | 40,900 | 178,245 | 0.20 |
| **COMPONENT UNITS** | | | | | | | |
| **Illinois Housing Development Authority -** | | | | | | | |
| 1994 | $ 329,589 (k) | $ 18,429 | $ 311,160 | $ 793,354 (k) | $ 149,209 | $ 942,563 | .33 % |
| 1995 | 220,268 (l) | 16,446 | 203,822 | 226,107 (l) | 121,482 | 347,589 | .59 |
| 1996 | 360,854 (m) | 174,136 | 186,718 | 173,146 (m) | 129,502 | 302,648 | .62 |
| 1997 | 162,470 | 9,970 | 152,500 | 194,067 | 132,541 | 326,608 | .47 |
| 1998 | 291,916 | 174,521 | 117,395 | 387,165 | 145,732 | 532,897 | .22 |
| 1999 | 269,691 | 161,769 | 107,922 | 234,080 | 127,247 | 361,327 | .30 |
| 2000 | 294,546 | 186,199 | 108,347 | 119,344 | 130,889 | 250,233 | .43 |
| 2001 | 294,102 | 183,971 | 110,131 | 192,297 | 130,376 | 322,673 | .34 |
| 2002 | 298,581 | 174,720 | 123,861 | 233,165 | 123,066 | 356,231 | .35 |
| 2003 | 266,521 | 174,674 | 91,847 | 392,805 | 124,411 | 517,216 | .18 |
| **Illinois State Toll Highway Authority -** | | | | | | | |
| 1994 | $ 290,092 | $ 127,132 | $ 162,960 | $ 21,545 | $ 52,149 | $ 73,694 | 2.21 % |
| 1995 | 314,657 | 186,967 | 127,690 | 24,250 | 53,962 | 78,212 | 1.63 |
| 1996 | 325,410 | 167,580 | 157,830 | 25,750 | 54,354 | 80,104 | 1.97 |
| 1997 | 460,329 (n) | 178,901 | 281,428 | 174,590 (n) | 54,565 | 229,155 | 1.23 |
| 1998 | 330,713 | 124,470 | 206,243 | 26,610 | 51,553 | 78,163 | 2.64 |
| 1999 | 333,900 | 66,615 | 267,285 | 27,835 | 30,302 | 58,137 | 4.60 |
| 2000 | 342,681 | 146,725 | 195,956 | 33,580 | 46,258 | 79,838 | 2.45 |
| 2001 | 354,514 | 151,386 | 203,128 | 35,890 | 29,677 | 65,567 | 3.10 |
| 2002 | 365,506 | 160,687 | 204,819 | 37,575 | 38,068 | 75,643 | 2.71 |
| 2003 | 372,046 | 165,469 | 206,577 | 39,360 | 30,351 | 69,711 | 2.96 |

## Revenue Bond Coverage
## Proprietary (continued)

**For the Last Ten Fiscal Years (Expressed in Thousands Except Coverage Data)**

| Fiscal Year | Gross Revenue | Direct Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|---|---|---|---|---|---|---|---|
| | | | | Principal | Interest | Total | |
| **COMPONENT UNITS (continued)** | | | | | | | |
| **Illinois Rural Bond Bank -** | | | | | | | |
| 1994 | $ 2,528 | $ 642 | $ 1,886 | $ 1,135 | $ 1,730 | $ 2,865 | .66 % |
| 1995 | 3,068 | 564 | 2,504 | 1,325 | 2,455 | 3,780 | .66 |
| 1996 | 3,338 | 511 | 2,827 | 1,875 | 2,932 | 4,807 | .59 |
| 1997 | 3,940 | 730 | 3,210 | 2,130 | 3,469 | 5,599 | .57 |
| 1998 | 5,966 | 1,016 | 4,950 | 2,975 | 4,410 | 7,385 | .67 |
| 1999 | 7,136 | 1,349 | 5,787 | 3,295 | 4,503 | 7,798 | .74 |
| 2000 | 7,000 | 696 | 6,304 | 4,190 | 6,019 | 10,209 | .62 |
| 2001 | 6,262 | 613 | 5,649 | 5,095 | 4,870 | 9,965 | .57 |
| 2002 | 4,927 | 699 | 4,228 | 10,815 | 4,841 | 15,656 | .27 |
| 2003 | 4,303 | 552 | 3,751 | 8,255 | 4,714 | 12,969 | .29 |

(a) The first year a Water Revolving Fund Bond was issued, dated June 27, 2002.
(b) The Commission redeemed $135.86 million of principal with bond proceeds in February 1994.
(c) The Commission redeemed $49.695 million of principal with bond proceeds in February 1995.
(d) The Commission redeemed $49.9 million of principal with bond proceeds in February 1996.
(e) The Commission $68.0 million of principal with bond issuance of $23.7 million in February 1997 and $44.3 million in May 1997.
(f) The Commission redeemed $19.3 million of principal with bond issuance proceeds in February 1998.
(g) The Commission redeemed $34.6 million of principal with bond issuance proceeds in February 1999.
(h) The Commission redeemed $34.8 million of principal with bond issuance proceeds in February 2000.
(i) The Commission redeemed $29.5 million of principal with bond issuance proceeds in November 2000.
(j) The Commission redeemed $33.6 million of principal with bond issuance proceeds in January 2002.
(k) The Authority redeemed $146.645 million of principal with bond proceeds throughout the year.
(l) The Authority redeemed $57.625 million of principal with the bonds proceeds in November 1994.
(m) The Authority redeemed $32.44 million of principal with bond proceeds in November 1995.
(n) The Authority issued $148.3 million of revenue bonds in October 1996, to current refund of $144.3 million of revenue bonds.

## Revenue Bond Coverage *
## University

**For the Last Ten Fiscal Years (Expressed in Thousands Except Coverage Data)**

| Fiscal Year | Revenues/ Other Additions | Expenditures/ Other Deductions | Net Revenue/ Additions Available for Debt Service | Debt Service Requirements | | | Coverage |
|---|---|---|---|---|---|---|---|
| | | | | Principal | Interest | Total | |
| 1994 | $ 361,832 | $ 295,495 | $ 66,337 | $ 21,600 | $ 27,224 | $ 48,824 | 1.36 % |
| 1995 | 362,303 | 291,301 | 71,002 | 21,495 | 29,232 | 50,727 | 1.40 |
| 1996 | 457,926 | 383,897 | 74,029 | 25,059 | 28,754 | 53,813 | 1.38 |
| 1997 | 787,489 | 685,854 | 101,635 | 28,161 | 32,229 | 60,390 | 1.68 |
| 1998 | 833,590 | 720,247 | 113,343 | 32,520 | 39,139 | 71,659 | 1.58 |
| 1999 | 809,991 | 716,821 | 93,170 | 31,375 | 39,189 | 70,564 | 1.32 |
| 2000 | 959,945 | 854,789 | 105,156 | 32,797 | 43,728 | 76,525 | 1.37 |
| 2001 | 927,126 | 816,287 | 110,839 | 39,398 | 45,371 | 84,769 | 1.31 |
| 2002 | 886,410 | 757,841 | 128,569 | 47,015 | 42,729 | 89,744 | 1.43 |
| 2003 | 944,366 | 800,749 | 143,617 | 38,430 | 44,474 | 82,904 | 1.73 |

* Chicago State, Eastern, Northeastern, Western, Illinois State, Northern, Southern Illinois, and the University of Illinois. The above amounts do not include student tuition and fees which are generally available, if necessary, to cover bond debt service requirements. The tuition and fees amounts, if included, would significantly increase debt service coverage.

*State of Illinois*

## Population by Age Group

| | ILLINOIS | | | |
|---|---|---|---|---|
| | 1990 | Percent | 2000 | Percent |
| Under 5 years | 848,141 | 7.4 % | 876,549 | 7.0 % |
| 5 -19 years | 2,451,088 | 21.5 | 2,728,957 | 22.0 |
| 20 - 44 years | 4,553,416 | 39.8 | 4,646,387 | 37.5 |
| 45 - 64 years | 2,141,412 | 18.7 | 2,667,375 | 21.5 |
| 65 years and over | 1,436,545 | 12.6 | 1,500,025 | 12.0 |
| Total | 11,430,602 | 100.0 % | 12,419,293 | 100.0 % |

| | UNITED STATES | | | |
|---|---|---|---|---|
| | 1990 | Percent | 2000 | Percent |
| Under 5 years | 18,354,443 | 7.4 % | 19,175,798 | 6.8 % |
| 5 - 19 years | 56,976,857 | 22.9 | 61,297,467 | 21.8 |
| 20 - 44 years | 95,765,733 | 38.5 | 104,004,252 | 37.0 |
| 45 - 64 years | 46,371,009 | 18.6 | 61,952,636 | 22.0 |
| 65 years and over | 31,241,831 | 12.6 | 34,991,753 | 12.4 |
| Total | 248,709,873 | 100.0 % | 281,421,906 | 100.0 % |

***Sources:*** ***Illinois Bureau of the Budget, Data From 1990 Census***
***Illinos Department of Commerce and Community Affairs, Data from 2000 Census***
***U.S. Census Bureau - Data from 2000 Census***

*State of Illinois*

## Total Personal Income

**For the Last Ten Fiscal Years**

| Year | Amount (millions) | Percent Change | Per Capita Personal Income | |
|---|---|---|---|---|
| | | | Illinois | United States |
| 1994 | $ 280,448 | 3.86 % | $ 23,748 | $ 22,077 |
| 1995 | 297,871 | 6.21 | 25,005 | 23,041 |
| 1996 | 313,082 | 5.11 | 26,072 | 23,889 |
| 1997 | 331,227 | 5.80 | 27,370 | 25,007 |
| 1998* | 351,551 | 6.14 | 28,849 | 26,329 |
| 1999* | 368,537 | 4.83 | 30,031 | 27,591 |
| 2000* | 386,624 | 4.91 | 31,283 | 28,965 |
| 2001* | 410,295 | 6.12 | 33,037 | 30,471 |
| 2002* | 415,740 | 1.33 | 33,205 | 30,777 |
| 2003* | 423,107 | 1.77 | 33,578 | 31,390 |

* Due to revisions in the Survey of Current Business, the results of the survey beginning in 1998 and after are not comparable to earlier reports.

***Source:*** ***Survey of Current Business, U.S. Department of Commerce***

*State of Illinois*

## Employment/Unemployed

**For the Last Ten Fiscal Years**

| Year | Total Employment | Unemployment | |
|---|---|---|---|
| | | Unemployed | Rate (Percent) |
| 1994 | 5,627,506 | 399,996 | 6.6 |
| 1995 | 5,753,199 | 317,745 | 5.2 |
| 1996 | 5,814,414 | 325,368 | 5.3 |
| 1997 | 5,880,276 | 305,227 | 4.9 |
| 1998 | 5,926,448 | 284,504 | 4.6 |
| 1999 | 6,029,562 | 271,938 | 4.3 |
| 2000 | 6,194,130 | 275,545 | 4.3 |
| 2001 | 6,202,061 | 311,381 | 4.8 |
| 2002 | 6,035,303 | 387,815 | 6.0 |
| 2003 | 5,960,701 | 415,719 | 6.5 |

***Source: U.S. Department of Labor, Bureau of Labor Statistics Employment and Earnings***

*State of Illinois*

## Employment by Industry

**For the Last Ten Fiscal Years (Expressed in Thousands)**

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|---|---|---|---|---|---|---|---|---|---|
| Natural Resources and Mining | 14 | 14 | 13 | 12 | 11 | 11 | 10 | 10 | 10 | 10 |
| Construction | 209 | 219 | 226 | 233 | 238 | 251 | 265 | 273 | 277 | 276 |
| Manufacturing | 870 | 887 | 896 | 900 | 907 | 893 | 878 | 851 | 779 | 744 |
| Transportation Trade and Utilities | 1,154 | 1,180 | 1,195 | 1,204 | 1,211 | 1,224 | 1,239 | 1,249 | 1,209 | 1,194 |
| Information | 136 | 139 | 140 | 145 | 149 | 149 | 149 | 155 | 150 | 146 |
| Financial Activities | 382 | 377 | 377 | 390 | 399 | 402 | 405 | 404 | 402 | 402 |
| Professional and Business Services | 617 | 651 | 675 | 707 | 756 | 802 | 826 | 834 | 794 | 788 |
| Educational and Health Services | 599 | 612 | 628 | 641 | 651 | 663 | 673 | 688 | 705 | 716 |
| Leisure and Hospitality | 422 | 438 | 456 | 458 | 465 | 478 | 483 | 490 | 490 | 494 |
| Other Services | 215 | 221 | 226 | 229 | 234 | 241 | 244 | 248 | 251 | 255 |
| Government | 777 | 795 | 803 | 808 | 811 | 820 | 834 | 843 | 859 | 856 |
| Total | 5,395 | 5,533 | 5,635 | 5,727 | 5,832 | 5,934 | 6,006 | 6,045 | 5,926 | 5,881 |

***Source: U.S. Department of Labor***

*State of Illinois*

## Contracts for Future Construction And Residential Building Activity

**For the Last Ten Fiscal Years**

| Year | Contracts For Future Construction (millions) | Residential Building Activity Permits | Residential Building Activity Valuation (millions) |
|---|---|---|---|
| 1994 | $ 11,041 | 47,168 | $ 4,891 |
| 1995 | 11,182 | 48,506 | 4,918 |
| 1996 | 11,556 | 49,304 | 4,915 |
| 1997 | 11,666 | 49,248 | 5,128 |
| 1998 | 11,850 | 45,576 | 5,398 |
| 1999 | 15,377 | 49,547 | 5,891 |
| 2000 | 14,950 | 54,379 | 6,244 |
| 2001 | 16,384 | 51,047 | 6,739 |
| 2002 | 16,384 | 54,999 | 7,324 |
| 2003 | 18,546 | 58,148 | 8,194 |

***Sources:*** ***Illinois Department of Commerce & Community Affairs***

***Dodge Division, McGraw Hill Information System Co.***

*State of Illinois*

## Sales of All Retail Stores Annual

**For the Last Ten Fiscal Years (Expressed in Millions)**

| Year | Illinois* | Percent of Change Illinois* | Percent of Change United States |
|---|---|---|---|
| 1994 | $ 97,313 | 3.8 % | 7.3 % |
| 1995 | 101,481 | 4.3 | 6.7 |
| 1996 | 107,867 | 6.2 | 4.9 |
| 1997 | 110,779 | 2.7 | 4.2 |
| 1998 | 116,793 | 5.4 | 4.8 |
| 1999 | 122,500 | 4.9 | 7.2 |
| 2000 | 131,295 | 7.2 | 9.2 |
| 2001 | 133,488 | 1.7 | 4.6 |
| 2002 | 136,097 | 1.95 | 3.7 |
| 2003 | 134,943 | 0.9 | 4.1 |

* The U.S. Department of Commerce has discontinued their monthly state retail sales series. Fiscal years 1996, 1997, 1998 and 1999 were estimated, by the Illinois Department of Commerce and Community Affairs based on sales tax collections from the Illinois Department of Revenue. Fiscal years 2000 through 2003 amounts are actual.

***Source:*** ***Illinois Department of Commerce & Community Affairs***

*State of Illinois*

## Cash Receipts from Farm Marketings

**For the Last Ten Calendar Years (Expressed in Millions)**

| | Livestock | | | | | Crops | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | Cattle | Hogs | Dairy Products | Other Livestock and Products | Total Livestock and Products | Corn | Soybeans | Wheat | Other Crops | Total Crops | Total Livestock and Crops |
| 1993 | $ 780 | $ 1,126 | $ 313 | $ 99 | $ 2,318 | $ 2,893 | $ 2,378 | $ 170 | $ 473 | $ 5,914 | $ 8,232 |
| 1994 | 705 | 939 | 322 | 104 | 2,070 | 2,849 | 2,385 | 179 | 476 | 5,889 | 7,959 |
| 1995 | 609 | 892 | 304 | 101 | 1,906 | 3,410 | 2,448 | 251 | 466 | 6,575 | 8,481 |
| 1996 | 536 | 1,055 | 332 | 116 | 2,039 | 3,274 | 2,534 | 170 | 465 | 6,443 | 8,482 |
| 1997 | 507 | 1,014 | 297 | 111 | 1,929 | 3,359 | 3,031 | 182 | 498 | 7,070 | 8,999 |
| 1998 * | 474 | 679 | 317 | 103 | 1,573 | 3,034 | 2,782 | 159 | 455 | 6,430 | 8,003 |
| 1999 * | 487 | 647 | 296 | 96 | 1,526 | 2,443 | 2,049 | 97 | 455 | 5,044 | 6,570 |
| 2000 * | 532 | 826 | 255 | 98 | 1,711 | 2,691 | 2,129 | 139 | 458 | 5,417 | 7,128 |
| 2001 * | 528 | 920 | 301 | 94 | 1,843 | 2,960 | 2,132 | 111 | 489 | 5,692 | 7,535 |
| 2002 * | 506 | 722 | 242 | 92 | 1,562 | 3,106 | 2,256 | 102 | 460 | 5,924 | 7,486 |

***** Due to revisions in the Illinois Agricultural Statistics Service, the results of cash receipts from farm marketings statistics beginning in 1998 and after are not comparable to earlier reports.

***Source: Illinois Agricultural Statistics Service, U.S. Department of Agriculture***

*State of Illinois*

## Largest Manufacturers
**(Ranked by Number of Employees)**

| Company | Number of Employees | Number of Illinois Installations |
|---|---|---|
| Caterpillar, Inc. | 24,000 | 30 |
| Motorola, Inc. | 20,000 | 63 |
| Abbott Laboratories | 17,200 | 21 |
| General Electric Company | 11,900 | 163 |
| Philip Morris/Kraft Foods Inc. | 9,000 | 46 |
| Illinois Tool Works, Inc. | 8,600 | 65 |
| Archer Daniels Midland Company | 8,500 | 95 |
| Deere & Company | 7,300 | 30 |
| Lucent Technologies | 7,000 | 17 |
| Chicago Tribune Company | 5,700 | 28 |
| Ford Motor Company | 5,300 | 31 |
| General Motors Corporation | 5,200 | 47 |
| RR Donnelly & Sons | 5,200 | 21 |
| Honeywell Inc. | 5,100 | 36 |
| Pepsico/Quaker Oats/Frito-Lay | 4,900 | 36 |
| Baxter Healthcare Corporation | 4,500 | 25 |
| Hollinger Publishing (Sun Times) | 4,400 | 25 |
| United Technologies (Sunstrand, Otis Elev.) | 4,200 | 28 |
| Unilever | 3,800 | 33 |
| Maytag Corporation | 3,600 | 11 |
| Smurfit Stone Corporation | 3,500 | 36 |
| BP/Amoco | 3,300 | 103 |
| Quebecor World Printing | 3,300 | 15 |
| Pactiv | 3,200 | 18 |
| Cargill Incorporated/Excel | 3,200 | 54 |

***Source: Illinois Department of Commerce and Community Affairs***

*State of Illinois*

## Bituminous Coal Production Annual
**For the Last Ten Calendar Years (Expressed in Millions of Tons)**

| Year | Surface | Underground | Total | Percent Total of U.S. |
|---|---|---|---|---|
| 1993 | 7,937 | 34,207 | 42,144 | 6.2 % |
| 1994 | 9,246 | 44,781 | 54,027 | 4.5 |
| 1995 | 6,878 | 42,659 | 49,537 | 5.3 |
| 1996 | 7,600 | 39,700 | 47,300 | 4.0 |
| 1997 | 6,300 | 35,000 | 41,300 | 4.5 |
| 1998 | 4,415 | 39,224 | 43,639 | 3.8 |
| 1999 | 3,637 | 36,679 | 40,316 | 3.5 |
| 2000 | 3,810 | 29,731 | 33,541 | 3.1 |
| 2001 | 5,739 | 28,054 | 33,793 | 3.0 |
| 2002 | 6,382 | 27,064 | 33,446 | 3.1 |

***Source: Illinois Department of Natural Resources***